UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarterly Period Ended September 30, 2013

Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	**93-0609074**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

414 Union Street, Nashville, TN 37219
(Address of principal executive offices) (Zip Code)
Registrant’s telephone number, including area code: (615) 986-5600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of “large accelerated filer,” “accelerated filers” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 141,121,253 shares of Common Stock, $1 par value, outstanding as of November 5, 2013.

Except as otherwise specified and unless the context otherwise requires, references to "LP", the “Company”, “we”, “us”, and “our” refer to Louisiana-Pacific Corporation and its subsidiaries.

ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 provide a “safe harbor” for forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This report contains, and other reports and documents filed by us with the Securities and Exchange Commission may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, our management.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include words like “may,” “will,” “could,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “potential,” “continue” or “future” or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings, capacity expansion and other growth initiatives and the adequacy of reserves for loss contingencies.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to the following:

- changes in governmental fiscal and monetary policies and levels of employment;
- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products;
- changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Australian dollar, Brazilian real and the Chilean peso;
- changes in general and industry specific environmental laws and regulations;
- changes in tax laws, and interpretations thereof;
- changes in circumstances giving rise to environmental liabilities or expenditures;
- the resolution of existing and future product related litigation and other legal proceedings;
- governmental gridlock and curtailment of government services ans spending; and
- acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by us with the Commission that warn of risks or uncertainties associated with future results, events or circumstances identify important factors that could cause actual results, events and circumstances to differ materially from those reflected in the forward-looking statements.

ABOUT THIRD-PARTY INFORMATION

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

Item 1. Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net sales	$ 507.4	$ 462.1	$ 1,605.5	$ 1,237.3
Operating costs and expenses:				
Cost of sales	416.3	364.4	1,221.7	1,026.9
Depreciation and amortization	25.8	18.8	65.0	55.5
Selling and administrative	33.5	30.5	103.6	92.1
(Gain) loss on sale or impairment of long-lived assets, net	0.3	4.3	(0.4)	4.5
Other operating credits and charges, net	(16.1)	1.2	(9.1)	1.2
Total operating costs and expenses	459.8	419.2	1,380.8	1,180.2
Income from operations	47.6	42.9	224.7	57.1
Non-operating income (expense):				
Interest expense, net of capitalized interest	(7.6)	(10.7)	(28.0)	(36.4)
Investment income	1.7	4.1	8.3	11.7
Early debt extinguishment	(0.8)	—	(0.8)	(52.2)
Gain on acquisition	—	—	35.9	—
Other non-operating items	1.0	0.4	(3.3)	(2.3)
Total non-operating income (expense)	(5.7)	(6.2)	12.1	(79.2)
Income (loss) from continuing operations before taxes and equity in (income) loss of unconsolidated affiliates	41.9	36.7	236.8	(22.1)
Provision (benefit) for income taxes	4.4	7.7	51.6	(5.6)
Equity in (income) loss of unconsolidated affiliates	—	(2.0)	(11.3)	2.6
Income (loss) from continuing operations	37.5	31.0	196.5	(19.1)
Income from discontinued operations before taxes	1.0	0.5	1.6	2.8
Provision for income taxes	0.4	0.2	0.6	1.0
Income from discontinued operations	0.6	0.3	1.0	1.8
Net income (loss)	$ 38.1	$ 31.3	$ 197.5	$ (17.3)
Income (loss) per share of common stock (basic):				
Income (loss) from continuing operations	$ 0.27	$ 0.23	$ 1.41	$ (0.14)
Income from discontinued operations	—	—	0.01	0.01
Net income (loss) per share	$ 0.27	$ 0.23	$ 1.42	$ (0.13)
Net income (loss) per share of common stock (diluted):				
Income (loss) from continuing operations	$ 0.26	$ 0.22	$ 1.36	$ (0.14)
Income from discontinued operations	—	—	0.01	0.01
Net income (loss) per share	$ 0.26	$ 0.22	$ 1.37	$ (0.13)
Average shares of stock outstanding - basic	140.0	137.1	139.1	136.9
Average shares of stock outstanding - diluted	144.0	142.6	144.1	136.9

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income (loss)	$ 38.1	$ 31.3	197.5	$ (17.3)
Other comprehensive income (loss)				
Foreign currency translation adjustments	0.3	2.9	(6.8)	1.7
Unrealized loss on derivative instruments	(0.1)	(0.5)	(0.1)	(0.7)
Unrealized gain (loss) on marketable securities, net of reversals	(0.2)	0.5	1.0	0.7
Defined benefit pension plans	1.0	0.7	4.0	2.7
Other comprehensive income (loss), net of tax	1.0	3.6	(1.9)	4.4
Comprehensive income (loss)	$ 39.1	$ 34.9	$ 195.6	$ (12.9)

The accompanying notes are an integral part of these unaudited financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	September 30, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents	$ 669.5	$ 560.9
Receivables, net of allowance for doubtful accounts of $1.1 million at September 30, 2013 and December 31, 2012	109.2	82.7
Inventories	225.0	209.8
Other current assets	10.2	6.0
Deferred income taxes	13.7	12.3
Current portion of notes receivable from asset sales	—	91.4
Assets held for sale	31.4	32.5
Total current assets	1,059.0	995.6
Timber and timberlands	72.2	40.1
Property, plant and equipment, at cost	2,214.3	2,061.6
Accumulated depreciation	(1,350.3)	(1,310.8)
Net property, plant and equipment	864.0	750.8
Goodwill	9.7	—
Notes receivable from asset sales	432.2	432.2
Long-term investments	3.8	2.0
Restricted cash	11.2	12.0
Investments in and advances to affiliates	4.2	68.6
Deferred debt costs	7.4	9.2
Other assets	33.8	15.5
Long-term deferred tax asset	—	5.0
Total assets	$ 2,497.5	$ 2,331.0
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 2.3	$ 7.8
Current portion of limited recourse notes payable	—	90.0
Accounts payable and accrued liabilities	173.5	139.5
Current portion of contingency reserves	2.0	2.0
Total current liabilities	177.8	239.3
Long-term debt, excluding current portion	763.3	782.7
Contingency reserves, excluding current portion	12.4	12.8
Other long-term liabilities	171.8	168.8
Deferred income taxes	148.4	93.6
Stockholders’ equity:		
Common stock	152.0	150.4
Additional paid-in capital	505.7	533.6
Retained earnings	908.1	710.6
Treasury stock	(232.2)	(252.9)
Accumulated comprehensive loss	(109.8)	(107.9)
Total stockholders’ equity	1,223.8	1,033.8
Total liabilities and stockholders’ equity	$ 2,497.5	$ 2,331.0

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	$ 38.1	$ 31.3	$ 197.5	$ (17.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	25.8	18.8	65.0	55.5
(Income) loss from unconsolidated affiliates	—	(2.0)	(11.3)	2.6
(Gain) loss on sale or impairment of long-lived assets	0.3	4.3	(0.4)	4.5
Gain on acquisition	—	—	(35.9)	—
Gain on sale of discontinued operation	(1.7)	—	(1.7)	—
Early debt extinguishment	0.8	—	0.8	52.2
Payment of long-term deposit	(17.1)	—	(17.1)	—
Other operating credits and charges, net	(16.1)	1.2	(9.1)	1.2
Stock-based compensation related to stock plans	2.4	1.8	6.6	6.4
Exchange (gain) loss on remeasurement	(0.4)	5.7	(0.5)	4.8
Cash settlement of contingencies	—	(0.4)	(0.4)	(1.6)
Cash settlements of warranties	(3.4)	(3.0)	(7.7)	(6.9)
Pension expense, net of cash payments	(0.1)	2.2	2.5	6.3
Non-cash interest expense, net	1.2	0.5	1.8	1.9
Other adjustments, net of acquisition	0.3	(1.7)	1.2	(0.3)
Changes in assets and liabilities, net of acquisition:				
Increase in receivables	(7.9)	(2.8)	(25.8)	(38.3)
(Increase) decrease in inventories	15.8	(5.6)	(12.3)	(41.6)
(Increase) decrease in other current assets	1.7	0.6	(4.3)	(2.4)
Increase in accounts payable and accrued liabilities	17.1	7.2	26.0	26.6
Increase (decrease) in deferred income taxes	2.4	7.7	47.9	(4.8)
Net cash provided by operating activities	59.2	65.8	222.8	48.8
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property, plant and equipment additions	(17.7)	(9.3)	(43.3)	(16.1)
Investments in and advances to joint ventures	—	8.8	13.9	6.6
Proceeds from sales of assets	15.0	—	16.7	9.1
Acquisition, net of cash acquired	—	—	(67.4)	—
Receipt of proceeds from notes receivable	91.4	—	91.4	—
(Increase) decrease in restricted cash under letters of credit/credit facility	(0.7)	—	0.7	1.0
Net cash provided by (used in) investing activities	88.0	(0.5)	12.0	0.6
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	—	—	—	350.0
Repayment of long-term debt	(109.5)	(0.2)	(113.1)	(242.3)
Taxes paid related to net share settlement of equity awards	—	—	(12.0)	—
Payment of debt issuance fees	—	—	—	(6.3)
Other, net	(0.1)	0.8	(0.1)	1.2
Net cash provided by (used in) financing activities	(109.6)	0.6	(125.2)	102.6
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	1.2	(2.5)	(1.0)	(1.5)
Net increase in cash and cash equivalents	38.8	63.4	108.6	150.5
Cash and cash equivalents at beginning of period	630.7	427.1	560.9	340.0
Cash and cash equivalents at end of period	$ 669.5	$ 490.5	$ 669.5	$ 490.5

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2012	150.4	$ 150.4	(11.9)	$ (252.9)	$ 533.6	$ 710.6	$ (107.9)	$ 1,033.8
Net income	—	—	—	—	—	197.5	—	197.5
Issuance of shares for employee stock plans and stock-based compensation	—	—	1.6	32.7	(32.6)	—	—	0.1
Taxes paid related to net share settlement of equity awards	—	—	(0.6)	(12.0)	—	—	—	(12.0)
Exercise of warrants	1.6	1.6	—	—	(1.6)	—	—	—
Compensation expense associated with stock awards	—	—	—	—	6.3	—	—	6.3
Other comprehensive loss	—	—	—	—	—	—	(1.9)	(1.9)
Balance, September 30, 2013	152.0	$ 152.0	(10.9)	$ (232.2)	$ 505.7	$ 908.1	$ (109.8)	$ 1,223.8

The accompanying notes are an integral part of these unaudited financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS FOR PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments, except for other operating credits and charges, net referred to in Note 10) necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of LP and its subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in LP's Annual Report on Form 10-K for the year ended December 31, 2012. During the third quarter of 2013, LP sold its moulding operations and has included the results of operations of this business in discontinued operations for all periods presented.

NOTE 2 – STOCK-BASED COMPENSATION

At September 30, 2013, LP had stock-based employee compensation plans as described below. The total compensation expense related to all of LP's stock-based compensation plans was $2.4 million for the quarter ended September 30, 2013 as compared to $1.8 million for the quarter ended September 30, 2012 and $6.6 million for the nine months ended September 30, 2013 and $6.4 million for the nine months ended September 30, 2012.

Stock Compensation Plans

LP grants options to purchase LP common stock and stock settled stock appreciation rights (SSARs) to key employees and directors. On exercise, LP generally issues shares from treasury to settle these awards. The options and SSARs are granted at market price at the date of grant. For employees, SSARs become exercisable ratably over a three year period and expire ten years after the date of grant. For directors, these options historically have become exercisable in 10% increments every three months, starting three months after the date of grant, and expire ten years after the date of grant. At September 30, 2013, 5.6 million shares were available under the current stock award plans for stock-based awards.

The following table sets out the weighted average assumptions used to estimate the fair value of the options and SSARs granted using the Black-Scholes option-pricing model in the first nine months of the respective years noted:

	2013	2012
Expected stock price volatility	69.2%	63.6%
Expected dividend yield	—%	—%
Risk-free interest rate	0.9%	0.7%
Expected life of options	5 years	5 years
Weighted average fair value of options and SSARs granted	$11.68	$4.75

The following table summarizes stock options and SSARs outstanding as of September 30, 2013, as well as activity during the nine month period then ended.

Share amounts in thousands	Options and SSARs	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Options / SSARs outstanding at January 1, 2013	8,475	$ 12.88		
SSARs granted	343	20.49		
Options / SSARs exercised	(1,854)	9.03		
Options /SSARs canceled	—	—		
Options/SSARs outstanding at September 30, 2013	6,964	$ 14.28	5.2	$ 37.4
Vested and expected to vest at September 30, 2013	6,615	—	—	$ 35.5
Options/SSARS exercisable at September 30, 2013	5,724	$ 14.72	—	$ 29.9

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between LP's closing stock price on the last trading day of the third quarter of 2013 and the exercise price, multiplied by the number of in-the-money options and SSARs) that would have been received by the holders had all holders exercised their awards on September 30, 2013. This amount changes based on the market value of LP's stock as reported by the New York Stock Exchange.

As of September 30, 2013, there was $5.0 million of total unrecognized compensation costs related to stock options and SSARs. These costs are expected to be recognized over a weighted-average period of 1.4 years. LP recorded compensation expense related to these awards in the first nine months of 2013 of $2.5 million.

Incentive Share Awards

LP has granted incentive share stock awards (restricted stock units) to certain key employees and directors. The employee awards vest three years from date of grant and awards to directors vest one year from date of grant. The awards entitle the participant to receive a specified number of shares of LP common stock at no cost to the participant. The market value at the time of grant approximates the fair value. LP recorded compensation expense related to these awards in the first nine months of 2013 of $2.0 million. As of September 30, 2013, there was $3.9 million of total unrecognized compensation cost related to unvested incentive share awards. This expense will be recognized over a weighted-average period of 1.1 years.

The following table summarizes incentive share awards outstanding as of September 30, 2013 as well as activity during the nine months then ended.

	Shares	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Incentive share awards outstanding at January 1, 2013	960,388		
Incentive share awards granted	158,474		
Incentive share awards vested	(346,107)		
Incentive share awards canceled	(478)		
Incentive shares outstanding at September 30, 2013	772,277	1.1	$ 13.5
Vested and expected to vest at September 30, 2013	733,663	—	$ 12.8

Restricted Stock

LP grants restricted stock to certain senior employees. The shares for employees vest three years from the date of grant and for directors vest five years from date of grant. During the vesting period, the participants have voting rights and receive dividends, but the shares may not be sold, assigned, transferred, pledged or otherwise encumbered. Additionally, granted but unvested shares are forfeited upon termination of employment. The fair value of the restricted shares on the date of the grant is amortized ratably over the vesting period. As of September 30, 2013, there was $2.9 million of total unrecognized compensation costs related to restricted stock. This expense will be recognized over the next 1.3 years. LP recorded compensation expense related to these awards in the first nine months of 2013 of $1.3 million.

The following table summarizes the restricted stock outstanding as of September 30, 2013 as well as activity during the nine months then ended.

	Number of Shares	Weighted Average Grant Date Fair Value
Restricted stock awards outstanding at January 1, 2013	556,987	$ 8.51
Restricted stock awards granted	108,174	20.49
Restrictions lapsed	(205,739)	7.00
Restricted stock awards at September 30, 2013	459,422	$ 12.01

LP annually grants to each director restricted stock units with a one year vesting period. As of September 30, 2013, LP has 93,179 shares (or restricted stock units) outstanding under this program. Compensation expense recognized in the first nine months of 2013 related to these grants was $0.2 million.

Performance share awards

In connection with Mr. Stevens' appointment to Chief Executive Officer on May 4, 2012, he was awarded 300,000 performance shares. LP recorded compensation expense related to these awards of $0.3 million in the first nine months of 2013. As of September 30, 2013, there was $0.9 million of total unrecognized compensation costs related to this award. This expense will be recognized over the next 2.6 years.

Phantom stock

During 2011 and 2012, LP made annual grants of phantom stock units to its directors. Subsequent to the approval of the 2013 Omnibus Plan, phantom stock units are no longer granted to directors. The director does not receive rights of a shareholder, nor is any stock transfered. The units will be paid out in cash at the end of the five year vesting period. The value of one unit is based on the market value of one share of common stock on the vesting date. The cost of the grants is recognized over the vesting period and is included in stock-based compensation expense. Since these awards are settled in cash, such awards are required to be remeasured based upon the changes in LP's stock price. As of September 30, 2013, LP had 75,816 shares outstanding under this program. LP recorded compensation expense related to these awards of $0.3 million in the first nine months of 2013.

NOTE 3 – FAIR VALUE MEASUREMENTS

LP’s investments that are measured at fair value on a recurring basis are categorized below using the fair value hierarchy. LP also measures the contingent consideration associated with the business combination (as discussed further in Note 19) using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant non-observable inputs.

The following table summarizes assets and liabilities measured on a recurring basis for each of the three hierarchy levels presented below.

Dollar amounts in millions	September 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available for sale securities	$ 3.8	$ —	$ —	$ 3.8
Trading securities	2.0	2.0	—	—
Contingent consideration	7.2	—	—	7.2
Total	$ 13.0	$ 2.0	$ —	$ 11.0

Dollar amounts in millions	December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available for sale securities	$ 2.0	$ —	$ —	$ 2.0
Trading securities	1.7	1.7	—	—
Total	$ 3.7	$ 1.7	$ —	$ 2.0

Due to the lack of observable market quotations on a portion of LP's auction rate securities (ARS) portfolio, LP evaluates the structure of its ARS holdings and current market estimates of fair value, including fair value estimates from issuing banks that rely exclusively on Level 3 inputs. These inputs include those that are based on expected cash flow streams and collateral values, including assessments of counterparty credit quality, default risk underlying the security, discount rates and overall capital market liquidity. The valuation of LP's ARS investment portfolio is subject to uncertainties that are difficult to predict. Factors that may impact LP's valuation include changes to credit ratings of the securities as well as to the underlying assets supporting those securities, rates of default of the underlying assets, underlying collateral value, discount rates, counterparty risk and ongoing strength and quality of market credit and liquidity.

The following table summarizes changes in assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the nine months ended September 30, 2013 and 2012.

Dollar amounts in millions	Available for sale securities	Contingent consideration
Balance at December 31, 2011	$ 0.7	$ —
Total realized/unrealized gains included in other comprehensive income	1.1	—
Balance at September 30, 2012	$ 1.8	$ —
Balance at December 31, 2012	$ 2.0	$ —
Contingent consideration pursuant to business combination (see Note 19)	—	24.3
Adjustment to contingent consideration fair value	—	(17.3)
Total realized/unrealized gains included in other comprehensive income	1.8	—
Foreign currency gain	—	0.2
Balance at September 30, 2013	$ 3.8	$ 7.2

Carrying amounts reported on the balance sheet for cash, cash equivalents, receivables and accounts payable approximate fair value due to the short-term maturity of these items.

During the third quarter of 2013, LP recognized a gain of $17.3 million as a fair value adjustment to the contingent consideration associated with a business combination (as discussed in Note 19). The fair value of the contingent

consideration was reduced during the third quarter of 2013 due to the decline in projected OSB prices and resulting reduction in the estimated payment obligation The fair value adjustment is recorded in Other Operating Credits and Charges, Net. This fair value was determined based upon the income approach using significant non-observable inputs such as projected OSB pricing taking into consideration volatility of such projections.

During the third quarter of 2012, LP recognized an impairment charge of $4.4 million on an OSB mill in Quebec, Canada, based upon a change in the plan of sale of various assets held for sale to reduce their carrying value to the estimated selling price less selling costs. The valuation of these assets was determined using Level 2 inputs under the market approach.

NOTE 4 – EARNINGS PER SHARE

Basic earnings per share are based on the weighted-average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted-average number of shares of common stock outstanding plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents (stock options, stock settled stock appreciation rights, incentive shares and warrants) be excluded from the calculation of diluted earnings per share for the periods in which LP recognizes losses from continuing operations or at such time that the exercise prices of such awards are in excess of the weighted average market price of LP's common stock during these periods because the effect is anti-dilutive. Performance share awards are included in the calculation of earnings per share using the contingently issuable method. The following table sets forth the computation of basic and diluted earnings per share:

Dollar and share amounts in millions, except per share amounts	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Numerator:				
Income (loss) attributed to LP common shares:				
Income (loss) from continuing operations	$ 37.5	$ 31.0	$ 196.5	$ (19.1)
Income from discontinued operations	0.6	0.3	1.0	1.8
Net income (loss)	$ 38.1	$ 31.3	$ 197.5	$ (17.3)
Denominator:				
Basic - weighted average common shares outstanding	140.0	137.1	139.1	136.9
Dilutive effect of stock warrants	1.8	3.0	2.5	—
Dilutive effect of stock plans	2.2	2.5	2.5	—
Diluted shares outstanding	144.0	142.6	144.1	136.9
Basic earnings per share:				
Income (loss) from continuing operations	$ 0.27	$ 0.23	$ 1.41	$ (0.14)
Income from discontinued operations	—	—	0.01	0.01
Net income (loss) per share	$ 0.27	$ 0.23	$ 1.42	$ (0.13)
Diluted earnings per share:				
Income (loss) from continuing operations	$ 0.26	$ 0.22	$ 1.36	$ (0.14)
Income from discontinued operations	—	—	0.01	0.01
Net income (loss) per share	$ 0.26	$ 0.22	$ 1.37	$ (0.13)

For the quarter and nine months ended September 30, 2013, stock options and SSARs related to approximately 2.4 million and 2.3 million shares of LP common stock were considered not in-the-money for purposes of LP's earnings per share calculation. For the quarter ended September 30, 2012, stock options, stock warrants and SSARs relating to approximately 4.4 million share of LP common stock were considered not in-the-money for purposes of LP's earnings per share calculation. For the nine months ended September 30, 2012, stock options, stock warrants and SSARs related to approximately 11.1 million shares of LP common stock were considered anti-dilutive for purposes of LP’s earnings per share calculation due to LP’s loss position from continuing operations.

At September 30, 2013, outstanding warrants were exercisable to purchase approximately 1,462,119 shares.

NOTE 5 – RECEIVABLES

Receivables consist of the following:

Dollar amounts in millions	September 30, 2013	December 31, 2012
Trade receivables	$ 102.1	$ 76.0
Interest receivables	0.7	0.8
Income tax receivable	0.8	1.8
Other receivables	6.7	5.2
Allowance for doubtful accounts	(1.1)	(1.1)
Total	$ 109.2	$ 82.7

Other receivables at September 30, 2013 and December 31, 2012 primarily consist of sales tax receivables, receivables from joint ventures, accrued receivables and other items.

NOTE 6 – INVENTORIES

Inventories are valued at the lower of cost or market. Inventory cost includes materials, labor and operating overhead. The major types of inventories are as follows (work in process is not material):

Dollar amounts in millions	September 30, 2013	December 31, 2012
Logs	$ 42.9	$ 37.6
Other raw materials	20.3	17.7
Finished products	148.5	142.7
Supplies	14.3	12.8
LIFO reserve	(1.0)	(1.0)
Total	$ 225.0	$ 209.8

NOTE 7 – ASSETS HELD FOR SALE

Over the last several years, LP has adopted and implemented plans to sell selected assets in order to improve its operating results. LP is required to classify assets held for sale which are not part of a discontinued business separately on the face of the financial statements outside of “Property, plant and equipment.” As of September 30, 2013 and December 31, 2012, LP included two OSB mills and various assets at a third OSB mill, as well as various non-operating sites, in its held for sale category. During the third quarter of 2012, LP recognized an impairment charge of $4.4 million on an OSB mill in Quebec, Canada, based upon a change in the plan of sale of various assets held for sale to reduce their carrying value. The current book values of assets held for sale by category is as follows:

Dollars in millions	September 30, 2013	December 31, 2012
Property, plant and equipment, at cost:		
Land, land improvements and logging roads, net of road amortization	$ 9.9	$ 10.0
Buildings	15.6	17.1
Machinery and equipment	140.7	140.8
	166.2	167.9
Accumulated depreciation	(134.8)	(135.4)
Net property, plant and equipment	$ 31.4	$ 32.5

NOTE 8 – INCOME TAXES

Accounting standards state that companies account for income taxes using the asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. This method also requires the recognition of future tax benefits, such as net operating loss carryforwards and other tax credits. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. Valuation allowances are recorded as necessary to reduce deferred tax assets to the amount thereof that is more likely than not to be realized. The likelihood of realizing deferred tax assets is evaluated by, among other things, estimating future taxable income, considering the future reversal of existing deferred tax liabilities to which the deferred tax assets may be applied and assessing the impact of tax planning strategies.

For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results unless this method does not result in a reliable estimate of year-to-date income tax expense. Each quarter the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is adjusted to the current quarter.

The income tax components and associated effective income tax rates for the quarter and nine months ended September 30, 2013 and 2012 are as follows:

	Quarter Ended September 30,			
	2013		2012	
Dollars in millions	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	$ 4.4	11%	$ 7.7	20%
Discontinued operations	0.4	35%	0.2	35%
	$ 4.8	11%	$ 7.9	20%

	Nine Months Ended September 30,			
	2013		2012	
	Tax Provision	Tax Rate	Tax Provision/(Benefit)	Tax Rate
Continuing operations	$ 51.6	21%	$ (5.6)	23%
Discontinued operations	0.6	35%	1.0	35%
	$ 52.2	21%	$ (4.6)	21%

For the first nine months of 2013, the primary differences between the U.S. statutory rate of 35% and the effective rate applicable to LP’s continuing operations relate to the effect of foreign tax rates and decreases in valuation allowances attributed to net operating loss carryforwards in various jurisdictions which are either anticipated to be utilized in the current year based upon projected income or recognized due to the recording of additional deferred tax liabilities. For the first nine months of 2012, the primary differences between the U.S. statutory rate of 35% and the effective rate applicable to LP’s continuing operations relate to the effect of foreign tax rates, increases in valuation allowances attributed to net operating loss carryforwards in various jurisdictions and increases in our reserves for uncertain tax positions.

LP periodically reviews the need for valuation allowances against deferred tax assets and recognizes these deferred tax assets to the extent that the realization is more likely than not. Based solely upon the future reversal of existing deferred tax liabilities, LP believes that the valuation allowances provided are appropriate. If LP were to determine that it would not be able to realize a portion of an existing net deferred tax asset in excess of an existing valuation allowance, an adjustment to the net deferred tax asset would be charged to earnings in the period in which such determination was made. Conversely, if it were to make a determination that it is more likely than not that an existing deferred tax asset for which there is currently a valuation allowance would be realized, the related valuation

allowance would be reduced and a benefit to earnings would be recorded in the period in which such determination was made.

As a result of certain recognition requirements of ASC 718 *Compensation -- Stock Compensation*, certain deferred tax assets as of September 30, 2013 are not recognized in relation to amounts of tax deductions for equity compensation that are greater than the compensation recognized for financial reporting. Equity will be increased by $13.5 million if and when such deferred tax assets are ultimately realized. LP uses the "with and without" method for determining when excess tax benefits have been realized.

LP and its domestic subsidiaries are subject to U.S. federal income tax as well as income taxes of multiple state jurisdictions. Its foreign subsidiaries are subject to income tax in Canada, Chile, Peru and Brazil. During 2011, the U.S. Internal Revenue Service (IRS) initiated an audit of tax years 2007 - 2009 for which field work has been completed. LP has protested certain proposed adjustments and requested review by the IRS Appeals Office. During the third quarter of 2013, LP deposited $17.1 million with the IRS to suspend the accrual of interest pending the resolution of this matter. The deposit is included within other assets on the Condensed Consolidated Balance Sheet. All U.S. federal audits of prior years have been completed. LP remains subject to state and local tax examinations for the tax years 2005 through 2012. Canadian federal income tax returns have been audited and effectively settled through 2008, and no examinations are currently in progress. Quebec provincial audits have been effectively settled through 2011. As of September 30, 2013, the Chilean Tax Office was in process of auditing tax year 2011.

NOTE 9 – LONG-TERM DEBT

LP’s long-term debt consists of the following:

Dollars in millions	September 30, 2013	December 31, 2012
Debentures:		
Senior notes, maturing 2020	$ 350.0	$ 350.0
Bank credit facilities:		
Chilean term credit facility, maturing 2019, denominated in UF	16.2	39.3
Brazilian export financing facility, maturing 2017	8.0	10.0
Limited recourse notes payable:		
Senior notes, payable 2013 - 2018	22.0	112.0
Other financing		
Non-recourse notes, payable 2018	368.7	368.7
Other	0.7	0.5
Total	765.6	880.5
Less: current portion	(2.3)	(97.8)
Net long-term portion	$ 763.3	$ 782.7

LP issued $348.6 million of senior notes in 1998 in a private placement to institutional investors. The remaining $22.0 million of the notes payable will mature in 2018 and are secured by $22.3 million of notes receivable from Green Diamond that will mature in 2018. Pursuant to the terms of the notes payable, in the event of a default by Green Diamond, LP would be liable to pay only 10% of the indebtedness represented by the notes payable.

LP issued $368.7 million of senior notes in 2003 in a private placement to unrelated third parties. The senior notes mature in 2018 and are supported by a bank letter of credit. LP’s reimbursement obligations under the letter of credit are secured by $410.0 million in notes receivable from asset sales. In general, the creditors under this arrangement have no recourse to LP’s assets, other than the notes receivable. However, under certain circumstances, LP may be liable for certain liabilities (including liabilities associated with the marketing or remarketing of the senior debt and reimbursement obligations, which are fully cash collateralized under the letter of credit supporting the notes payable) in an amount not to exceed 10% of the aggregate principal amount of the notes receivable.

In December 2009, LP entered into a term loan agreement with a Chilean bank. This loan is denominated in UF (inflation adjusted Chilean pesos) and is secured by substantially all of the property owned by LP Chile S.A. The loan was required to be repaid in 16 equal semi-annual payments that began in June 2012 and end in December 2019. Payments of $21.0 million were made during the year which included a scheduled payment of $2.6 million in the second quarter of 2013 and an optional prepayment of $18.4 million during the third quarter of 2013. The next scheduled payment is not due until June 2017. In connection with the prepayment, LP recorded a loss on early debt extinguishment of $0.8 million, which included $0.5 million associated with the unamortized financing costs associated with the loan. Any additional increases or decreases in the loan balance shown are related to changes in the underlying foreign currency exchange rates or required inflation adjustments.

In August 2011, LP entered into an export financing loan agreement with a Brazilian bank pursuant to which it borrowed $10.0 million. This loan is denominated in U.S. dollars, is to be repaid in 10 equal semi-annual payments that began in January 2013 and end in July 2017.

In May 2012, LP issued $350.0 million of 7.5% Senior Notes due 2020. LP used a portion of the proceeds to fully retire the remaining balance outstanding on its Senior Secured Notes due in 2017. In connection with this repurchase, LP recorded a loss on early debt extinguishment of $52.2 million which included $4.5 million associated with the unamortized financing costs associated with the Senior Secured Notes. On or after June 1, 2016, LP may, at its option on one or more occasions, redeem all or any portion of the Notes at specified redemption rates.

Obligations under the indenture governing LP's Senior Notes due 2020 are unsecured and not presently guaranteed by any of its subsidiaries. The indenture contains customary covenants applicable to LP and its subsidiaries, other than certain unrestricted subsidiaries, including restrictions on actions and activities that are restricted under the credit facility. The indenture also contains customary events of default, the occurrence of which could result in acceleration of LP's obligations to repay the indebtedness outstanding thereunder.

LP estimated the Senior Notes maturing in 2020 to have a fair value of $378.9 million at September 30, 2013 and $397.3 million at December 31, 2012 based upon market quotations.

Additional descriptions of LP’s indebtedness are included in consolidated financial statements and the notes thereto included in LP’s Annual Report on Form 10-K for the year ended December 31, 2012.

NOTE 10 – OTHER OPERATING CREDITS AND CHARGES, NET

The major components of “Other operating credits and charges, net” in the Consolidated Statements of Income for the third quarter and nine months ended September 30, 2013 and September 30, 2012 are reflected in the table below and are described in the paragraphs following the table:

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2013	2012	2013	2012
Other operating charges and credits net:				
Adjustment related to prior year inventory	$ —	$ —	$ (1.6)	$ —
Adjustment related to prior year depreciation	—	—	(1.5)	—
Construction related legal reserve	—	—	—	0.5
Addition to warranty reserves	(2.0)	(1.0)	(6.1)	(1.0)
Refundable value added tax receivable	1.4	—	1.4	—
Insurance recovery	0.4	—	0.4	—
Contingent consideration fair value adjustment	17.3	—	17.3	—
Addition to workers compensation reserves	(1.0)	—	(1.0)	—
Other	—	(0.2)	0.2	(0.7)
	$ 16.1	$ (1.2)	$ 9.1	$ (1.2)
Other operating charges and credits associated with unconsolidated affiliates:				
Valuation allowance associated with deferred taxes	$ —	$ —	$ (1.8)	$ —
Addition to contingency reserves	—	—	(0.9)	—
	$ —	$ —	$ (2.7)	$ —

During the third quarter of 2013, LP recorded a gain of $0.4 million related to proceeds received from an insurance claim associated with an OSB mill and a reduction in the fair value of $17.3 million payable in relation to the contingent consideration associated with a business combination (as discussed in Note 19). LP also recorded a loss of $1.0 million associated with a workers compensation reserve adjustment. LP recorded a loss of $2.0 million during the quarter related to an increase in product related warranty reserves associated with CanExel products sold in certain geographic areas from 2004 through 2008. During the third quarter of 2013, LP recorded a receivable of $1.4 million related to value added taxes.

During the second quarter of 2013, LP recorded a loss of $1.5 million related to a correction of prior years depreciation amounts associated with LP's South American operations. During the second quarter of 2013, LP recorded a loss of $4.1 million related to an increase in product related warranty reserves associated with Canexel products sold in certain geographic areas from 2004 to 2008. Additionally, other operating charges and credits reflected in Equity in (income) loss from unconsolidated affiliates includes a charge of $1.8 million associated with a valuation allowance on the joint venture's books associated with deferred tax assets as well as a loss of $0.9 million associated with the recording of a contingent liability from past years.

During the first quarter of 2013, LP recorded a loss of $1.6 million related to a prior year inventory adjustment.

During the third quarter 2012, LP recorded a loss of $1.0 million related to an increase in product related warranty reserves associated with Canexel products sold in Europe in prior years.

LP recorded losses of $0.2 million and $0.7 million during the third quarter and first nine months of 2012 associated with severance related to an indefinitely curtailed OSB mill in British Columbia.

NOTE 11 – TRANSACTIONS WITH AFFILIATES

LP has an equity investment in Abitibi-LP, a manufacturer of I-joists with Resolute Forest Products. LP sells products and raw materials to Abitibi-LP and purchases products for resale from Abitibi-LP. LP eliminates profits on these sales and purchases, to the extent the inventory has not been sold through to third parties, on the basis of its 50% interest. For the quarters ended September 30, 2013 and 2012, LP sold $3.3 million and $2.6 million of products to Resolute-LP and purchased $13.9 million and $11.3 million of I-joists from Resolute-LP. For the nine month period ended September 30, 2013 and 2012, LP sold $10.7 million and $6.3 million of products to Resolute-LP and purchased $38.4 million and $29.7 million of I-joists from Resolute-LP. Included in LP’s Consolidated Balance Sheets at September 30, 2013 and December 31, 2012 are $2.6 million and $1.4 million in accounts receivable from this affiliates and $1.3 million and $6.7 million in accounts payable from this affiliate.

LP purchased $42.6 million of OSB from Canfor-LP during the quarter ended September 30, 2012. LP also purchased $98.2 million and $101.9 million of OSB from Canfor-LP during the nine month period ended September 30, 2013 and 2012.

NOTE 12 – LEGAL AND ENVIRONMENTAL MATTERS

Certain environmental matters and legal proceedings are discussed below.

Environmental Matters

LP maintains a reserve for undiscounted estimated environmental loss contingencies. This reserve is primarily for estimated future costs of remediation of hazardous or toxic substances at numerous sites currently or previously owned by the Company. LP's estimates of its environmental loss contingencies are based on various assumptions and judgments, the specific nature of which varies in light of the particular facts and circumstances surrounding each environmental loss contingency. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect assumptions and judgments as to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities. Due to the numerous uncertainties and variables associated with these assumptions and judgments, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. LP regularly monitors its estimated exposure to environmental loss contingencies and, as additional information becomes known, may change its estimates significantly.

Other Proceedings

LP and its subsidiaries are parties to other legal proceedings. Based on the information currently available, management believes that the resolution of such proceedings will not have a material adverse effect on the financial position, results of operations, cash flows or liquidity of LP.

NOTE 13 – SELECTED SEGMENT DATA

LP operates in four segments: Oriented Strand Board (OSB), Siding, Engineered Wood Products (EWP) and South America. LP’s business units have been aggregated into these four segments based upon the similarity of economic characteristics, customers and distribution methods. LP’s results of operations are summarized below for each of these segments separately as well as for the “other” category which comprises other products that are not individually significant. Segment information was prepared in accordance with the same accounting principles as those described in Note 1 of the Notes to the financial statements included in LP’s Annual Report on Form 10-K for the year ended December 31, 2012.

Dollar amounts in millions	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net sales:				
OSB	$ 245.4	$ 226.6	$ 838.3	$ 571.0
Siding	149.0	134.1	435.5	384.2
Engineered Wood Products	71.8	61.5	196.1	161.8
South America	41.5	42.0	130.9	127.1
Other	3.9	3.4	10.3	10.1
Intersegment sales	(4.2)	(5.5)	(5.6)	(16.9)
	$ 507.4	$ 462.1	$ 1,605.5	$ 1,237.3
Operating profit (loss):				
OSB	$ 30.2	$ 49.3	$ 223.7	$ 66.0
Siding	22.5	20.3	70.3	56.4
Engineered Wood Products	(2.0)	(3.0)	(10.6)	(9.3)
South America	5.3	4.5	17.8	11.2
Other	(2.1)	(2.6)	(6.1)	(7.8)
Other operating credits and charges, net	16.1	(1.2)	9.1	(1.2)
Other operating credits and charges associated with unconsolidated affiliates	—	—	(2.7)	—
Gain (loss) on sale or impairment of long-lived assets	(0.3)	(4.3)	0.4	(4.5)
Gain on acquisition	—	—	35.9	—
Early debt extinguishment	(0.8)	—	(0.8)	(52.2)
General corporate and other expenses, net	(22.1)	(18.1)	(65.9)	(56.3)
Foreign currency gain (loss)	1.0	0.4	(3.3)	(2.3)
Investment income	1.7	4.1	8.3	11.7
Interest expense, net of capitalized interest	(7.6)	(10.7)	(28.0)	(36.4)
Income (loss) from continuing operations before taxes	41.9	38.7	248.1	(24.7)
Provision (benefit) for income taxes	4.4	7.7	51.6	(5.6)
Income (loss) from continuing operations	$ 37.5	$ 31.0	$ 196.5	$ (19.1)

Other operating charges and credits,net presented above includes both those items directly related to LP as well as those reflected in Equity in (income) loss of unconsolidated affiliates

NOTE 14 – POTENTIAL IMPAIRMENTS

LP continues to review certain operations and investments for potential impairments. LP’s management currently believes it has adequate support for the carrying value of each of these operations and investments based upon the anticipated cash flows that result from estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. As of September 30, 2013, there were no indications of impairment for the asset grouping that includes the company's indefinitely curtailed facilities. As of September 30, 2013, the fair value of facilities that have not been indefinitely curtailed are substantially in excess of its carrying value and supports the conclusion that no impairment is necessary for those facilities.

LP also reviews from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, its strategic plan and other relevant circumstances. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, LP may be required to record impairment charges in connection with decisions to dispose of assets.

NOTE 15 – CONTINGENCY RESERVES

LP maintains reserves for various contingent liabilities as follows:

Dollar amounts in millions	September 30, 2013	December 31, 2012
Environmental reserves	$ 13.9	$ 14.1
Other reserves	0.5	0.7
Total contingency reserves	14.4	14.8
Current portion of contingency reserves	(2.0)	(2.0)
Long-term portion of contingency reserves	$ 12.4	$ 12.8

See Note 12 for discussion of environmental matters.

NOTE 16 – DEFINED BENEFIT PENSION PLANS

The following table sets forth the net periodic pension cost for LP's defined benefit pension plans during the quarter ended September 30, 2013 and 2012. The net periodic pension cost included the following components:

Dollar amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Service cost	$ 0.8	$ 0.9	$ 2.5	$ 2.7
Interest cost	3.2	3.7	9.7	11.0
Expected return on plan assets	(4.1)	(4.3)	(12.4)	(12.7)
Amortization of prior service cost	0.1	0.1	0.2	0.2
Amortization of net loss	1.8	1.7	5.5	5.0
Net periodic pension cost	$ 1.8	$ 2.1	$ 5.5	$ 6.2

During the nine months ended September 30, 2013, LP made $3.2 million in pension contributions for LP's Canadian defined benefit plans. LP presently anticipates making approximately $1.9 million in additional pension contributions for the plans during the remainder of 2013.

NOTE 17 – GUARANTEES AND INDEMNIFICATIONS

LP is a party to contracts in which LP agrees to indemnify third parties for certain liabilities that arise out of or relate to the subject matter of the contract. In some cases, this indemnity extends to liabilities arising out of the negligence of the indemnified parties, but usually excludes any liabilities caused by gross negligence or willful misconduct of the indemnified parties. LP cannot estimate the potential amount of future payments under these agreements until

events arise that would trigger the liability. See Note 21 of the Notes to the financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2012 for further discussion of LP's guarantees and indemnifications.

LP provides warranties on the sale of most of its products and records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims. The activity in warranty reserves for the first nine months of 2013 and 2012 are summarized in the following table:

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2013	2012	2013	2012
Beginning balance	$ 21.0	$ 26.5	$ 21.4	$ 30.3
Accrued to expense	0.4	0.4	0.7	0.9
Adjusted to other operating credits and charges	2.0	1.0	6.1	1.0
Payments made	(3.8)	(4.5)	(8.6)	(8.8)
Total warranty reserves	19.6	23.4	19.6	23.4
Current portion of warranty reserves	(12.0)	(12.0)	(12.0)	(12.0)
Long-term portion of warranty reserves	$ 7.6	$ 11.4	$ 7.6	$ 11.4

LP increased the warranty reserves related to CanExel siding products by $2.0 million and $6.1 million for the third quarter and the first nine months of 2013. The additional reserves reflect revised estimates of future claim payments based upon an increase in Canexel warranty claims related to a specific geographic location and for a specific time period. LP continues to monitor warranty and other claims associated with these products and believes as of September 30, 2013 that the reserves associated with these matters are adequate. However, it is possible that additional charges may be required in the future.

The current portion of the warranty reserve is included in the caption "Accounts payable and accrued liabilities" and the long-term portion is included in the caption "Other long-term liabilities" on LP's Condensed Consolidated Balance Sheets.

NOTE 18 - OTHER COMPREHENSIVE INCOME

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02 "Reporting of Amounts Reclassified Out of Accumulated Comprehensive Income." The amendments do not change the current requirement for reporting net income or other comprehensive income in financial statements; however, the amendment requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. The new disclosure requirements were effective for all periods beginning after December 15, 2012 and adopted by LP effective January 1, 2013. The adoption of the amendments concerns presentation and disclosure only and did not have an impact on LP's consolidated financial statements.

Other comprehensive income activity, net of tax, is provided in the following table for the quarter ended September 30, 2013:

Dollar amounts in millions	Foreign currency translation adjustments	Pension adjustments	Unrealized gain (loss) on derivative instruments	Unrealized gain (loss) on investments	Other	Total
Balance at June 30, 2013	$ (14.7)	$ (96.0)	$ (0.3)	$ 2.2	$ (2.0)	$ (110.8)
Other comprehensive income before reclassifications	0.3	2.3	(0.1)	(0.2)	—	$ 2.3
Amounts reclassified from accumulated comprehensive income	—	(1.3)	—	—	—	$ (1.3)
Net current-period other comprehensive income	0.3	1.0	(0.1)	(0.2)	—	1.0
Balance at September 30, 2013	$ (14.4)	$ (95.0)	$ (0.4)	$ 2.0	$ (2.0)	$ (109.8)

Reclassifications from accumulated other comprehensive loss for the quarter ended September 30, 2013 are summarized, in millions of dollars, in the following table:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated comprehensive income	Affected line item in the statement where net income (loss) is presented
Amortization of defined benefit pension plans		
Prior service cost	$ 0.1	[(a)]
Actuarial loss	1.8	[(a)]
Transition obligation	(0.1)	[(a)]
	1.8	Total before tax
	0.5	Tax (provision) benefit
Total reclassifications for the quarter ended September 30, 2013	$ 1.3	Net of tax

[(a)] These accumulated other comprehensive income components are included in the computation of net periodic pension cost, see Note 16 for additional details. The net periodic pension cost is included in Cost of sales and Selling and administrative line items in the Consolidated Statements of Income.

Other comprehensive income activity, net of tax, is provided in the following table for the nine months ended September 30, 2013:

Dollar amounts in millions	Foreign currency translation adjustments	Pension adjustments	Unrealized gain (loss) on derivative instruments	Unrealized gain (loss) on investments	Other	Total
Balance at December 31, 2012	$ (7.6)	$ (99.0)	$ (0.3)	$ 1.0	$ (2.0)	$ (107.9)
Other comprehensive income before reclassifications	(6.8)	8.0	(0.1)	1.0	—	2.1
Amounts reclassified from accumulated comprehensive income	—	(4.0)	—	—	—	(4.0)
Net current-period other comprehensive income	(6.8)	4.0	(0.1)	1.0	—	(1.9)
Balance at September 30, 2013	$ (14.4)	$ (95.0)	$ (0.4)	$ 2.0	$ (2.0)	$ (109.8)

Reclassifications from accumulated other comprehensive loss for the nine months ended September 30, 2013 are summarized, in millions of dollars, in the following table:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated comprehensive income	Affected line item in the statement where net income (loss) is presented
Amortization of defined benefit pension plans		
Prior service cost	$ 0.2	[(a)]
Actuarial loss	5.5	[(a)]
Transition obligation	(0.2)	[(a)]
	5.5	Total before tax
	1.5	Tax (provision) benefit
Total reclassifications for the nine months ended September 30, 2013	$ 4.0	Net of tax

[(a)] These accumulated other comprehensive income components are included in the computation of net periodic pension cost, see Note 16 for additional details. The net periodic pension cost is included in Cost of sales and Selling and administrative line items in the Consolidated Statements of Income.

NOTE 19 - ACQUISITION OF PEACE VALLEY OSB

On May 31, 2013, LP acquired full control of the Peace Valley OSB joint venture in which LP previously maintained a 50% interest. Peace Valley OSB's results of operations have been fully consolidated in all periods subsequent to May 31, 2013. Since LP previously served as the exclusive distributor of all OSB produced by this venture, this acquisition will not have a material impact on LP's consolidated net sales.

Due to the pre-existing 50% ownership interest in Peace Valley OSB, this acquisition was accounted for as a step acquisition in accordance with ASC 805, *Business Combinations* (“ASC 805”). Accordingly, LP recognized a gain of $35.9 million in connection with this transaction to record its 50% ownership interest in Peace Valley at fair value on the acquisition date. The fair value of LP's existing 50% interest ($95.9 million) was determined using a combination of the income and market approach. In completing this valuation, management considered future earnings and cash flow potential of the business, earnings multiples, and recent market transactions of similar businesses. This gain is included in "Non-operating income (expense)."

The purchase price of the 50% acquired interest was $74.6 million (including working capital) paid in cash. Additionally, as part of the purchase consideration, LP agreed to pay contingent consideration equal to a pre-defined percentage of the operation's earnings before interest, taxes, depreciation and amortization (EBITDA) over a pre-defined threshold for each of the next three years. As of May 31, 2013, the fair value of the contingent consideration payable was valued at $24.3 million and was recorded in “accounts payable and accrued liabilities” and “other long term liabilities”. The fair value of the contingent consideration payable will be remeasured at the end of each reporting period. During the third quarter of 2013, the fair value of the contingent consideration payable was remeasured and reduced by $17.3 million due to the decline in projected OSB prices and therefore resulting reduction in the estimated EBITDA of the operation.

Including the 50% interest previously owned by LP, LP acquired net assets of $194.8 million, consisting of $22.7 million in current assets, $146.4 million in fixed asset, $43.8 million of intangible assets (comprised of $34.1 million of timber licenses and $9.7 million of goodwill) and $8.7 million in current liabilities and $9.4 million in long term liabilities. Certain information about Peace Valley OSB (e.g., pro forma financial information and allocation of purchase price) is not presented because such information is not material to LP's results of operations and financial position.

While LP uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the business combination date, its estimates and assumptions are subject to refinement. As a result, during the preliminary purchase price allocation period, which may be up to one year from

the business combination date, LP may record adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. LP will record adjustments to assets acquired or liabilities assumed subsequent to the measurement period in its operating results in the period in which the adjustments were determined.

NOTE 20 - PROPOSED ACQUISITION OF AINSWORTH LUMBER CO. LTD.

LP announced that it signed an Arrangement Agreement (the “Arrangement Agreement”) with Ainsworth Lumber Co. Ltd., a British Columbia corporation (“Ainsworth”), providing an arrangement under British Columbia law whereby a wholly owned subsidiary of the Company will acquire all of the outstanding shares of Ainsworth capital stock in exchange for 0.114 shares of LP common stock (“LP Shares”) and C$1.94 in cash per Ainsworth common share (“Ainsworth Shares”) subject to certain terms and conditions. Although the Arrangement Agreement provides for Ainsworth shareholders to elect among cash consideration, share consideration and mixed consideration, proration provisions will ensure that the aggregate amounts of cash and LP Shares issued in the Transaction are fixed at approximately C$467.0 million and 27.5 million LP Shares, respectively.

On November 1, 2013, we entered into a commitment letter (the "Commitment Letter") with American AgCredit, FLCA ("AAC"), CoBank, ACB ("CoBank"), Farm Credit Services of America, PCA ("FCSA"), and AgFirst Farm Credit Bank ("AgFirst") pursuant to which AAC and FCSA (collectively, the "Lenders") have severally committed to provide senior secured revolving financing to the Company in an aggregate amount of up to $200 million on the terms and subject to the conditions set forth therein. The proceeds of the facility will be used by us to fund a portion of the purchase price for the previously announced acquisition (the "Acquisition") by the Company of Ainsworth Lumber Company Ltd. ("Ainsworth") and will otherwise be available for working capital purposes. The obligations of the Lenders to provide such financing are subject to the execution and delivery of mutually acceptable definitive loan documents, which are expected to contain customary representations, warranties, covenants and events of default, including a minimum liquidity covenant and a maximum capitalization ratio covenant. The commitments of the Lenders will expire on, and definitive loan documents must be executed and delivered by, December 2, 2013. The consummation of the Acquisition is not a condition to the closing of the financing.

As of November 5, 2013, LP anticipates the Transaction to be completed in either late fourth quarter of 2013 or early first quarter 2014, subject to the receipt of required regulatory approvals.

NOTE 21 - GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in goodwill for the third quarter and the nine months ended September 30, 2013 are provided in the following table:

Dollar amounts in millions	2013
Beginning balance, December 31, 2012	$ —
Additions	9.7
Total goodwill	$ 9.7

LP has recorded other intangible assets in its Consolidated Balance Sheets, as follows:

Dollar amounts in millions	September 30, 2013	December 31, 2012
Timber licenses (recorded as part of Timber and timberlands)	$ 69.0	$ 36.6
Customer relationships, net of amortization	—	0.5
Other	0.1	0.1
Total	$ 69.1	$ 37.2

Customer relationships and other intangibles are included in Other assets in the Consolidated Balance Sheet.

Amortization of the above intangible assets over the next five years is as follows:

Dollar amounts in millions	
2013	$ 2.9
2014	2.9
2015	3.6
2016	3.6
2017	3.6

During the second quarter of 2013, LP completed the acquisition of the Peace Valley OSB joint venture. The acquisition resulted in the recognition of $9.7 million of goodwill and included timber licenses of $34.1 million. See Note 19 for further discussion.

NOTE 22 - DISCONTINUED OPERATIONS

Over the last several years, LP has adopted and implemented plans to sell selected businesses and assets in order to improve its operating results. For all periods presented, these operations include residual losses of mills divested in past years and associated warranty and other liabilities associated with these operations.

During the third quarter of 2013, LP sold its moulding operations. Sales and operating profit included in discontinued operations are as follows:

Dollars amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Sales	$ 4.1	$ 5.8	$ 16.1	$ 20.2
Operating profit	1.0	0.5	1.6	2.8

A gain of $1.7 million on the sale of the moulding operations was recognized in the third quarter of 2013, and is included in discontinued operations on the Consolidated Statement of Income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Our products are used primarily in new home construction, repair and remodeling, and manufactured housing. We also market and sell our products in light industrial and commercial construction and we have a modest export business. Our manufacturing facilities are primarily located in the U.S. and Canada, but we also operate two facilities in Chile and one facility in Brazil.

To serve our markets, we operate in four segments: Oriented Strand Board (OSB), Siding, Engineered Wood Products (EWP) and South America.

OSB is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our OSB products will remain at current levels or increase or decrease in the future. OSB prices (NC 7/16"), as reported by Random Lengths, were 20% lower for the third quarter of 2013 than for the same period in 2012.

For additional factors affecting our results, refer to the Management Discussion and Analysis overview contained in our Annual Report on Form 10-K for the year ended December 31, 2012 and to “About Forward-Looking Statements” and “Risk Factors” in this report.

PLANNED ACQUISTION OF AINSWORTH LUMBER CO. LTD.

On September 4, 2013, LP announced that it had signed an Arrangement Agreement (the “Arrangement Agreement”) with Ainsworth Lumber Co. Ltd., a British Columbia corporation (“Ainsworth”), providing an arrangement under British Columbia law whereby a wholly owned subsidiary of the Company will acquire all of the outstanding shares of Ainsworth capital stock in exchange for 0.114 shares of LP common stock (“LP Shares”) and C$1.94 in cash per Ainsworth common share (“Ainsworth Shares”) on the terms and subject to the conditions set forth therein (the “Transaction”). Although the Arrangement Agreement provides for Ainsworth shareholders to elect among cash consideration, share consideration and mixed consideration, proration provisions will ensure that the aggregate amounts of cash and LP Shares issued in the Transaction are fixed at approximately C$467 million and 27.5 million LP Shares, respectively.

The requisite approvals of the Transaction by Ainsworth shareholders and the Supreme Court of British Columbia were obtained on October 29, 2013 and October 31, 2013. As of November 5, 2013, the consummation of the Transaction remained subject to other customary closing conditions, including the receipt of regulatory approvals (which include the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the issuance of rulings and approvals required under Canadian competition laws and the Investment Canada Act). LP and Ainsworth have agreed to endeavor to cause all closing conditions (including the receipt of regulatory approvals) to be satisfied, which under certain circumstances could require the taking of actions that could adversely affect the value of the Transaction to us.

The Arrangement Agreement also contains certain termination rights for each of the Company and Ainsworth. Either party may terminate the Arrangement Agreement if: (i) the parties mutually agree; (ii) the Transaction has not been consummated by March 4, 2014 (subject to extension in certain circumstances); (iii) a governmental authority issues a law or order prohibiting the Transaction; (iv) the other party materially breaches its representations, warranties or covenants such that the applicable closing condition would not to be satisfied; or (v) the other party has incurred a Material Adverse Effect (as defined in the Arrangement Agreement).

We have entered into debt financing commitments for the purpose of financing a portion of the purchase price payable in the Transactions and related fees and expenses. The obligations of the lenders to provide debt financing under the debt commitments are subject to customary conditions.

On October 17, 2013, Ainsworth issued a press release announcing that it had received the requisite consents in connection with its consent solicitation (the "Consent Solicitation") from holders of Ainsworth's 7.5% Senior Secured Notes due 2017 (the "Notes") . The press release also announced that Ainsworth has entered into a supplemental indenture relating to the Notes, which modified certain definitions in the indenture relating to the Notes (the "Indenture") so that the proposed acquisition by Louisiana-Pacific Corporation (“LP”) of all of the

outstanding Ainsworth shares (the "Acquisition") pursuant to the arrangement agreement entered into by LP and Ainsworth on September 4, 2013, and the designation by LP of members of Ainsworth's board of directors upon and after the consummation of the Acquisition, will not constitute a "Change of Control" under the Indenture and Ainsworth will not be required to make a "Change of Control Offer" under the Indenture in connection with the Acquisition.

Subject to the satisfaction or waiver of the conditions set forth in the solicitation statement to be distributed by Ainsworth to holders of the Notes, LP will make the consent payments contemplated thereby as and when they become due. Whether or not Ainsworth receives the consents necessary to implement the Proposed Amendments, promptly following the consummation of the Acquisition, LP will unconditionally guarantee the prompt payment and performance of the obligations of Ainsworth under the Indenture and the Notes.

As of November 5, 2013, LP anticipates the Transaction to be completed in either late fourth quarter of 2013 or early first quarter 2014, subject to the receipt of regulatory above mentioned approvals.

The Transaction is expected to have a material effect on LP's consolidated financial position, results of operations and cash flows. For additional information, see the Ainsworth Lumber Co. Ltd. Notice of Special Meeting and Management Proxy Circular furnished as Exhibit 99.1 to LP's Current Report on Form 8-K dated September 30, 2013.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

Presented in Note 1 of the Notes to the financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2012 is a discussion of our significant accounting policies and significant accounting estimates and judgments. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates. For the third quarter of 2013, these significant accounting estimates and judgments include:

Legal Contingencies. Our estimates of loss contingencies for legal proceedings are based on various judgments and assumptions regarding the potential resolution or disposition of the underlying claims and associated costs. In making judgments and assumptions regarding legal contingencies for ongoing class action settlements, we consider, among other things, discernible trends in the rate of claims asserted and related damage estimates and information obtained through consultation with statisticians and economists, including statistical analysis of potential outcomes based on experience to date and the experience of third parties who have been subject to product-related claims judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, both the precision and reliability of the resulting estimates of the related loss contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to these contingencies and, as additional information becomes known, may change our estimates significantly.

Environmental Contingencies. Our estimates of loss contingencies for environmental matters are based on various judgments and assumptions. These estimates typically reflect judgments and assumptions relating to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect judgments and assumptions relating to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities, including third parties who purchased assets from us subject to environmental liabilities. We consider the ability of third parties to pay their apportioned cost when developing our estimates. In making these judgments and assumptions related to the development of our loss contingencies, we consider, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors and our historical experience at other sites that are judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. At September 30, 2013, we excluded from our estimates approximately $2.1 million of potential environmental liabilities that we estimate will be allocated to third parties pursuant to existing and anticipated future cost sharing arrangements.

Impairment of Long-Lived Assets. We review the long-lived assets held and used by us (primarily property, plant and equipment and timber and timberlands) for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. We consider the necessity of undertaking such a review at least quarterly, and also when certain events or changes in circumstances occur. Events and changes in circumstances that may necessitate such a review include, but are not limited to: a significant decrease in the market price of a long-lived asset or group of long-lived assets; a significant adverse change in the extent or manner in which a long-lived asset or group of long-lived assets is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or group of long-lived assets, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or group of long-lived assets; current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or group of long-lived assets; and current expectation that, more likely than not, a long-lived asset or group of long-lived assets will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. Identifying these events and changes in circumstances, and assessing their impact on the appropriate valuation of the affected assets under accounting principles generally accepted in the U.S., requires us to make judgments, assumptions and estimates.

In general, for assets held and used in our operations, impairments are recognized when the carrying amount of the long-lived asset or groups of long-lived assets is not recoverable and exceeds the fair value of the asset or group of assets. The carrying amount of a long-lived asset or groups of long-lived assets is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets or group of assets. The key assumptions in estimating these cash flows relate to future production volumes, pricing of commodity or specialty products and future estimates of expenses to be incurred as reflected in our long-range internal planning models. Our assumptions regarding pricing are based upon the average pricing over the commodity cycle (generally five years) due to the inherent volatility of commodity product pricing, and reflect our assessment of information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our assumptions regarding expenses reflect our expectation that we will continue to reduce production costs to offset inflationary impacts.

When impairment is indicated for assets held and used in our operations, the book values of the affected assets are written down to their estimated fair value, which is generally based upon discounted future cash flows associated with the affected assets. When impairment is indicated for assets to be disposed of, the book values of the affected assets are written down to their estimated fair value, less estimated selling costs. Consequently, a determination to dispose of particular assets can require us to estimate the net sales proceeds expected to be realized upon such disposition, which may be less than the estimated undiscounted future net cash flows associated with such assets prior to such determination, and thus require an impairment charge. In situations where we have experience in selling assets of a similar nature, we may estimate net sales proceeds on the basis of that experience. In other situations, we hire independent appraisers to estimate net sales proceeds.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets in these circumstances, and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates of the related impairment charges are subject to substantial uncertainties and, as additional information becomes known, we may change our estimates significantly.

Income Taxes. The determination of the provision for income taxes, and the resulting current and deferred tax assets and liabilities, involves significant management judgment, and is based upon information and estimates available to management at the time of such determination. The final income tax liability to any taxing jurisdiction with respect to any calendar year will ultimately be determined long after our financial statements have been published for that year. We maintain reserves for known estimated tax exposures in federal, state and international jurisdictions; however, actual results may differ materially from our estimates.

Judgment is also applied in determining whether deferred tax assets will be realized in full or in part. When we consider it to be more likely than not that all or some portion of a deferred tax asset will not be realized, a valuation allowance is established for the amount of the deferred tax asset that is estimated not to be realizable. As of September 30, 2013, we had established valuation allowances against certain deferred tax assets, primarily related to state and foreign carryovers of net operating losses, credits and capital losses. We have not established valuation

allowances against other deferred tax assets based upon deferred tax liabilities which we anticipate to reverse within the carry forward period. Accordingly, changes in facts or circumstances affecting the likelihood of realizing a deferred tax asset could result in the need to record additional valuation allowances.

Pension Plans. Most of our U.S. employees and many of our Canadian employees participate in defined benefit pension plans sponsored by LP. We account for the consequences of our sponsorship of these plans in accordance with accounting principles generally accepted in the U.S., which require us to make actuarial assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. While we believe we have a reasonable basis for these assumptions, which include assumptions regarding long-term rates of return on plan assets, life expectancies, rates of increase in salary levels, rates at which future values should be discounted to determine present values and other matters, the amounts of our pension related assets, liabilities and expenses recorded in our financial statements would differ if we used other assumptions.

Workers' Compensation. We are self insured for most of our U.S. employees' workers compensation claims. We account for these plans in accordance with accounting principles generally accepted in the U.S., which require us to make actuarial assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. While we believe we have a reasonable basis for these assumptions, which include assumptions regarding rates at which future values should be discounted to determine present values, expected future health care costs and other matters, the amounts of our liabilities and related expenses recorded in our financial statements would differ if we used other assumptions.

Warranty Obligations. Customers are provided with a limited warranty against certain defects associated with our products for periods of up to fifty years. We estimate the costs to be incurred under these warranties and record a liability in the amount of such costs at the time product revenue is recognized. Factors that affect our warranty liability include the historical and anticipated rates of warranty claims and the cost of resolving such. We periodically assess the adequacy of our recorded warranty liability for each product and adjust the amounts as necessary. While we believe we have a reasonable basis for these assumptions, actual warranty costs in the future could differ from our estimates.

NON-GAAP FINANCIAL MEASURES

In evaluating our business, we utilize several non-GAAP financial measures. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included under applicable GAAP guidance. In this report on Form 10-Q, we disclose earnings (loss) from continuing operations before interest expense, taxes, depreciation and amortization ("EBITDA from continuing operations") which is a non-GAAP financial measure. Additionally, we disclose "Adjusted EBITDA from continuing operations" which further adjusts EBITDA from continuing operations to exclude stock based compensation expense, (gain) loss on sales or impairment of long lived assets, other operating charges and credits, net, cost of acquisitions, depreciation included in equity in (income) loss of unconsolidated affiliates and investment income. Neither EBITDA from continuing operations nor Adjusted EBITDA from continuing operations is a substitute for the GAAP measures of net income or operating cash flows or for any other GAAP measures of operating performance or liquidity.

We have included EBITDA from continuing operations and Adjusted EBITDA from continuing operations in this report on Form 10-Q because we use them as important supplemental measures of our performance and believe that they are frequently used by securities analysts, investors and other interested persons in the evaluation of companies in our industry, some of which present EBITDA when reporting their results. We use EBITDA from continuing operations and Adjusted EBITDA from continuing operations to evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates. It should be noted that companies calculate EBITDA and Adjusted EBITDA differently and, therefore, our EBITDA and Adjusted EBITDA measures may not be comparable to EBITDA and Adjusted EBITDA reported by other companies. Our EBITDA and Adjusted EBITDA measures have material limitations as performance measures because they exclude interest expense, income tax (benefit) expense and depreciation and amortization which are necessary to operate our business or which we otherwise incurred or experienced in connection with the operation of our business.

The following table represents significant items by operating segment and reconciles income (loss) from continuing operations to Adjusted EBITDA from continuing operations:

Three Months Ended September 30, 2013 (Dollar amounts in millions)	OSB	Siding	EWP	South America	Other	Corporate	Total
Sales	$ 245.4	$ 149.0	$ 71.8	$ 41.5	$ 3.9	$ (4.2)	$ 507.4
Depreciation and amortization	15.2	4.1	3.1	3.0	—	0.4	25.8
Cost of sales and selling and administrative	200.0	122.4	71.3	33.2	5.4	17.5	449.8
Loss on sale or impairment of long lived assets	—	—	—	—	—	0.3	0.3
Other operating credits and charges, net	—	—	—	—	—	(16.1)	(16.1)
Total operating costs	215.2	126.5	74.4	36.2	5.4	2.1	459.8
Income (loss) from operations	30.2	22.5	(2.6)	5.3	(1.5)	(6.3)	47.6
Total non-operating expense	—	—	—	—	—	(5.7)	(5.7)
Income (loss) before income taxes and equity in (income) loss of unconsolidated affiliates	30.2	22.5	(2.6)	5.3	(1.5)	(12.0)	41.9
Provision for income taxes	—	—	—	—	—	4.4	4.4
Equity in (income) loss of unconsolidated affiliates	—	—	(0.6)	—	0.6	—	—
Income (loss) from continuing operations	$ 30.2	$ 22.5	$ (2.0)	$ 5.3	$ (2.1)	$ (16.4)	$ 37.5
Reconciliation of income (loss) from continuing operations to adjusted EBITDA from continuing operations							
Income (loss) from continuing operations	$ 30.2	$ 22.5	$ (2.0)	$ 5.3	$ (2.1)	$ (16.4)	$ 37.5
Provision for income taxes	—	—	—	—	—	4.4	4.4
Interest expense, net of capitalized interest	—	—	—	—	—	7.6	7.6
Depreciation and amortization	15.2	4.1	3.1	3.0	—	0.4	25.8
EBITDA from continuing operations	45.4	26.6	1.1	8.3	(2.1)	(4.0)	75.3
Stock based compensation expense	0.2	0.2	0.2	—	—	1.8	2.4
Loss on sale or impairment of long lived assets	—	—	—	—	—	0.3	0.3
Investment income	—	—	—	—	—	(1.7)	(1.7)
Expenses associated with proposed acquisition of Ainsworth Lumber Co. Ltd.	—	—	—	—	—	3.0	3.0
Other operating credits and charges, net	—	—	—	—	—	(16.1)	(16.1)
Early debt extinguishment	—	—	—	—	—	0.8	0.8
Depreciation included in equity in (income) loss of unconsolidated affiliates	—	—	—	—	0.8	—	0.8
Adjusted EBITDA from continuing operations	$ 45.6	$ 26.8	$ 1.3	$ 8.3	$ (1.3)	$ (15.9)	$ 64.8

Three Months Ended September 30, 2012 (Dollar amounts in millions)	OSB	Siding	EWP	South America	Other	Corporate	Total
Sales	$ 226.6	$ 134.1	$ 61.5	$ 42.0	$ 3.4	$ (5.5)	$ 462.1
Depreciation and amortization	8.2	3.9	3.1	3.3	—	0.3	18.8
Cost of sales and selling and administrative	172.4	109.9	61.2	34.2	4.9	12.3	394.9
Loss on sale or impairment of long lived assets	—	—	—	—	—	4.3	4.3
Other operating credits and charges, net	—	—	—	—	—	1.2	1.2
Total operating costs	180.6	113.8	64.3	37.5	4.9	18.1	419.2
Income (loss) from operations	46.0	20.3	(2.8)	4.5	(1.5)	(23.6)	42.9
Total non-operating expense	—	—	—	—	—	(6.2)	(6.2)
Income (loss) before income taxes and equity in (income) loss of unconsolidated affiliates	46.0	20.3	(2.8)	4.5	(1.5)	(29.8)	36.7
Provision for income taxes	—	—	—	—	—	7.7	7.7
Equity in (income) loss of unconsolidated affiliates	(3.3)	—	0.2	—	1.1	—	(2.0)
Income (loss) from continuing operations	$ 49.3	$ 20.3	$ (3.0)	$ 4.5	$ (2.6)	$ (37.5)	$ 31.0
Reconciliation of income (loss) from continuing operations to adjusted EBITDA from continuing operations							
Income (loss) from continuing operations	$ 49.3	$ 20.3	$ (3.0)	$ 4.5	$ (2.6)	$ (37.5)	$ 31.0
Provision for income taxes	—	—	—	—	—	7.7	7.7
Interest expense, net of capitalized interest	—	—	—	—	—	10.7	10.7
Depreciation and amortization	8.2	3.9	3.1	3.3	—	0.3	18.8
EBITDA from continuing operations	57.5	24.2	0.1	7.8	(2.6)	(18.8)	68.2
Stock based compensation expense	0.2	0.1	0.1	—	—	1.4	1.8
Loss on sale or impairment of long lived assets	—	—	—	—	—	4.3	4.3
Investment income	—	—	—	—	—	(4.1)	(4.1)
Other operating credits and charges, net	—	—	—	—	—	1.2	1.2
Depreciation included in equity in (income) loss of unconsolidated affiliates	2.1	—	0.1	—	0.9	—	3.1
Adjusted EBITDA from continuing operations	$ 59.8	$ 24.3	$ 0.3	$ 7.8	$ (1.7)	$ (16.0)	$ 74.5

Nine Months Ended September 30, 2013 (Dollar amounts in millions)	OSB	Siding	EWP	South America	Other	Corporate	Total
Sales	$ 838.3	$ 435.5	$ 196.1	$ 130.9	$ 10.3	$ (5.6)	$ 1,605.5
Depreciation and amortization	34.2	12.4	9.0	8.1	—	1.3	65.0
Cost of sales and selling and administrative	595.8	352.8	196.1	105.0	13.9	61.7	1,325.3
Gain on sale or impairment of long lived assets	—	—	—	—	—	(0.4)	(0.4)
Other operating credits and charges, net	—	—	—	—	—	(9.1)	(9.1)
Total operating costs	630.0	365.2	205.1	113.1	13.9	53.5	1,380.8
Income (loss) from operations	208.3	70.3	(9.0)	17.8	(3.6)	(59.1)	224.7
Total non-operating expense	—	—	—	—	—	12.1	12.1
Income (loss) before income taxes and equity in (income) loss of unconsolidated affiliates	208.3	70.3	(9.0)	17.8	(3.6)	(47.0)	236.8
Provision for income taxes	—	—	—	—	—	51.6	51.6
Equity in (income) loss of unconsolidated affiliates	(15.4)	—	1.6	—	2.5	—	(11.3)
Income (loss) from continuing operations	$ 223.7	$ 70.3	$ (10.6)	$ 17.8	$ (6.1)	$ (98.6)	$ 196.5
Reconciliation of income (loss) from continuing operations to adjusted EBITDA from continuing operations							
Income (loss) from continuing operations	$ 223.7	$ 70.3	$ (10.6)	$ 17.8	$ (6.1)	$ (98.6)	$ 196.5
Provision for income taxes	—	—	—	—	—	51.6	51.6
Interest expense, net of capitalized interest	—	—	—	—	—	28.0	28.0
Depreciation and amortization	34.2	12.4	9.0	8.1	—	1.3	65.0
EBITDA from continuing operations	257.9	82.7	(1.6)	25.9	(6.1)	(17.7)	341.1
Stock based compensation expense	0.7	0.5	0.4	—	—	5.0	6.6
Gain on sale or impairment of long lived assets	—	—	—	—	—	(0.4)	(0.4)
Investment income	—	—	—	—	—	(8.3)	(8.3)
Expenses associated with proposed acquisition of Ainsworth Lumber Co. Ltd.	—	—	—	—	—	3.0	3.0
Gain on acquisition	—	—	—	—	—	(35.9)	(35.9)
Other operating credits and charges, net	—	—	—	—	—	(9.1)	(9.1)
Other operating credits and charges associated with unconsolidated affiliates	—	—	—	—	—	2.7	2.7
Early debt extinguishment	—	—	—	—	—	0.8	0.8
Depreciation included in equity in (income) loss of unconsolidated affiliates	3.4	—	0.1	—	2.4	—	5.9
Adjusted EBITDA from continuing operations	$ 262.0	$ 83.2	$ (1.1)	$ 25.9	$ (3.7)	$ (59.9)	$ 306.4

Nine Months Ended September 30, 2012 (Dollar amounts in millions)	OSB	Siding	EWP	South America	Other	Corporate	Total
Sales	$ 571.0	$ 384.2	$ 161.8	$ 127.1	$ 10.1	$ (16.9)	$ 1,237.3
Depreciation and amortization	25.2	12.0	8.3	8.9	0.1	1.0	55.5
Cost of sales and selling and administrative	481.0	315.8	162.6	107.0	14.2	38.4	1,119.0
Loss on sale or impairment of long lived assets	—	—	—	—	—	4.5	4.5
Other operating credits and charges, net	—	—	—	—	—	1.2	1.2
Total operating costs	506.2	327.8	170.9	115.9	14.3	45.1	1,180.2
Income (loss) from operations	64.8	56.4	(9.1)	11.2	(4.2)	(62.0)	57.1
Total non-operating expense	—	—	—	—	—	(79.2)	(79.2)
Income (loss) before income taxes and equity in (income) loss of unconsolidated affiliates	64.8	56.4	(9.1)	11.2	(4.2)	(141.2)	(22.1)
Benefit for income taxes	—	—	—	—	—	(5.6)	(5.6)
Equity in (income) loss of unconsolidated affiliates	(1.2)	—	0.2	—	3.6	—	2.6
Income (loss) from continuing operations	$ 66.0	$ 56.4	$ (9.3)	$ 11.2	$ (7.8)	$ (135.6)	$ (19.1)
Reconciliation of income (loss) from continuing operations to adjusted EBITDA from continuing operations							
Income (loss) from continuing operations	$ 66.0	$ 56.4	$ (9.3)	$ 11.2	$ (7.8)	$ (135.6)	$ (19.1)
Benefit for income taxes	—	—	—	—	—	(5.6)	(5.6)
Interest expense, net of capitalized interest	—	—	—	—	—	36.4	36.4
Depreciation and amortization	25.2	12.0	8.3	8.9	0.1	1.0	55.5
EBITDA from continuing operations	91.2	68.4	(1.0)	20.1	(7.7)	(103.8)	67.2
Stock based compensation expense	0.7	0.4	0.4	—	—	4.9	6.4
Loss on sale or impairment of long lived assets	—	—	—	—	—	4.5	4.5
Investment income	—	—	—	—	—	(11.7)	(11.7)
Early debt extinguishment	—	—	—	—	—	52.2	52.2
Other operating credits and charges, net	—	—	—	—	—	1.2	1.2
Depreciation included in equity in (income) loss of unconsolidated affiliates	6.1	—	0.4	—	2.8	—	9.3
Adjusted EBITDA from continuing operations	$ 98.0	$ 68.8	$ (0.2)	$ 20.1	$ (4.9)	$ (52.7)	$ 129.1

RESULTS OF OPERATIONS

(Dollar amounts in millions, except per share amounts)

Our net income for the third quarter of 2013 was $38.1 million, or $0.26 per diluted share, on sales of $507.4 million, compared to $31.3 million, or $0.22 per diluted share, on sales of $462.1 million for the third quarter of 2012. For the third quarter of 2013, income from continuing operations was $37.5 million, or $0.26 per diluted share, compared to $31.0 million, or $0.22 per diluted share, for the third quarter of 2012.

Our net income for the first nine months of 2013 was $197.5 million, or $1.37 per diluted share, on sales of $1,605.5 million, compared to a net loss for the first nine months of 2012 of $17.3 million, or $0.13 per diluted share, on sales of $1,237.3 million. For the first nine months of 2013, income from continuing operations was $196.5 million, or $1.36 per diluted share, compared to a loss from continuing operations of $19.1 million, or $0.14 per diluted share.

Our results of operations for each of our segments are discussed below as well as for the “other” category, which comprises products that are not individually significant.

OSB

Our OSB segment manufactures and distributes commodity and value-added OSB structural panels.

Segment sales, operating income, and adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Net sales	$ 245.4	$ 226.6	8 %	$ 838.3	$ 571.0	47%
Operating income	30.2	49.3	(39)%	223.7	66.0	239%
Adjusted EBITDA from continuing operations	45.6	59.8	(24)%	262.0	98.0	167%

Percent changes in average sales prices and unit shipments for the third quarter and nine months ended September 30, 2013 compared to the third quarter and nine months ended September 30, 2012 are as follows:

	Quarter Ended September 30, 2013 versus 2012		Nine Months Ended September 30, 2013 versus 2012	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB	(5)%	15%	38%	9%

OSB prices decreased in the third quarter as compared to the prior year quarter likely due to less housing demand than forecast and increased supply due to mill startups. For the nine months ended September 30, 2013, OSB prices increased as compared to the corresponding period in 2012. The increase in OSB prices, for the nine month period, was likely due to strengthening of the relationship between regional supply and demand. For the quarter ended September 30, 2013, as compared to the corresponding period in 2012, the decrease in selling price unfavorably impacted operating results and EBITDA from continuing operations by approximately $13 million. The increase in selling price favorably impacted operating results and EBITDA from continuing operations by approximately $222 million for the nine month ended September 30, 2013 as compared to the comparable period in 2012. Sales volumes for the third quarter and for the nine month period showed an increase over the comparable period of 2012 due to improving housing demand.

Compared to the third quarter of 2012 operating income decreased due to lower OSB prices and startup costs incurred with preparing two of our temporary curtailed OSB mills to resume operations, which was partially offset by the increase in operating results from our Peace Valley mill. Peace Valley was recorded as an equity investment in the third quarter of 2012 and therefore only 50% of its earnings are reported as part of LP's operating income for that period. Compared to the first nine months of 2012, the primary factor for increased operating income was higher OSB sales prices. Offsetting this increase were costs incurred with preparing two of our temporarily curtailed OSB mills to resume operations and higher raw material costs.

SIDING

Our siding segment produces and markets wood-based siding and related accessories, together with commodity OSB products from one mill.

Segment sales, operating income and adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Net sales	$ 149.0	$ 134.1	11%	$ 435.5	$ 384.2	13%
Operating income	22.5	20.3	11%	70.3	56.4	25%
Adjusted EBITDA from continuing operations	26.8	24.3	10%	83.2	68.8	21%

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
SmartSide Siding	$ 124.1	$ 105.0	18 %	$ 353.0	$ 307.3	15 %
Commodity OSB	10.6	12.7	(17)%	40.3	31.6	28 %
CanExel siding	14.3	16.4	(13)%	42.2	45.3	(7)%
Total	$ 149.0	$ 134.1	11 %	$ 435.5	$ 384.2	13 %

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2013 compared to the quarter and nine months ended September 30, 2012 are as follows:

	Quarter Ended September 30, 2013 versus 2012		Nine Months Ended September 30, 2013 versus 2012	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
SmartSide Siding	3 %	14 %	2 %	14 %
Commodity OSB	(7)%	(11)%	41 %	(10)%
CanExel siding	1 %	(13)%	— %	(9)%

For both the third quarter and nine months ended September 30, 2013 compared to the corresponding periods in 2012, sales volumes increased in our SmartSide siding line due to continued penetration in several key focus markets including retail, repair and remodel markets and sheds and increased housing demand. Sales prices in our SmartSide siding product line for the quarter and nine month periods ended September 30, 2013 as compared to the corresponding periods in 2012 increased due to a price increase as well as changes in product mix.

For CanExel, sales volume decreased in the third quarter and first nine months of 2013 as compared to the comparable periods in 2012 due to lower demand in both Canada and international sales, primarily to Europe. Sales prices increased during the third quarter of 2013 compared to the comparable period in 2012 due to product mix between Canada and international sales. Sales prices were flat for the nine month period of 2013 as compared to the corresponding period in 2012 due to product mix between Canada and international sales.

For the third quarter of 2013, sale prices decreased and for the first nine months of 2013, sales prices increased, as compared to the same periods in the prior year, for our commodity OSB products as discussed in the OSB segment above. The decrease in selling price unfavorably impacted operating results and adjusted EBITDA from continuing operations by approximately $1 million for the quarter and the increase in selling price favorably impacted operating results and adjusted EBITDA from continuing operations by approximately $10 million for the nine months ended September 30, 2013 as compared to the corresponding periods of 2012. Volumes of commodity OSB were lower for both the quarter and nine months ended September 30, 2013 as compared to the comparable period of 2012 due to increases in siding volume which reduced the production capacity for OSB.

Overall, the improvement in operating results for our siding segment for the quarter and nine month periods ended September 30, 2013, compared to the same periods in 2012, was primarily due to increased volumes in our SmartSide product line.

ENGINEERED WOOD PRODUCTS

Our engineered wood products (EWP) segment manufactures and distributes laminated veneer lumber (LVL), I-Joists, laminated strand lumber (LSL) and other related products. This segment also includes the sale of I-Joist and LVL products produced by AbitibiBowater-LP or under a sales arrangement with a third party producer.

Segment sales, operating losses and adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Net sales	$ 71.8	$ 61.5	17%	$ 196.1	$ 161.8	21 %
Operating losses	(2.0)	(3.0)	33%	(10.6)	(9.3)	(14)%
Adjusted EBITDA from continuing operations	1.3	0.3	333%	(1.1)	(0.2)	(450)%

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
LVL/LSL	$ 34.9	$ 29.0	20%	$ 93.8	79.5	18%
I-Joist	24.5	21.0	17%	65.9	53.5	23%
Related products	12.4	11.5	8%	36.4	28.8	26%
Total	$ 71.8	$ 61.5	17%	$ 196.1	$ 161.8	21%

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2013 compared to the quarter and nine months ended September 30, 2012 are as follows:

	Quarter Ended September 30, 2013 versus 2012		Nine Months Ended September 30, 2013 versus 2012	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
LVL/LSL	3%	17%	3%	15%
I-Joist	11%	5%	9%	12%

For the quarter and nine months ended September 30, 2013, sales volumes of LVL/LSL and I-joists increased over the prior year due to improved market demand. Sales prices for LVL/LSL and I-joists for the quarter and nine months ended September 30, 2012 increased due to price increases implemented to offset higher raw material costs.

Our focus in the EWP segment continues to be on reductions in conversion costs, better geographic manufacturing and distribution, and maintaining key customer relationships. Included in this segment is a plywood operation, which primarily produces plywood as a by-product from the LVL production process.

For the quarter ended September 30, 2013, compared to the same period in 2012, the results of operations were higher due to improved market demand and price increases implemented. For the nine months ended September 30, 2013, compared to the same period in 2012, the results of operations were lower due to increases in raw material costs, primarily OSB and lumber, which were partially offset by increases in sales prices.

SOUTH AMERICA

Our South America segment manufactures and distributes OSB panels and siding products in South America and selected export markets. This segment operates in two countries, Chile and Brazil.

Segment sales, operating income and adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Net sales	$ 41.5	$ 42.0	(1)%	$ 130.9	$ 127.1	3%
Operating income	5.3	4.5	18 %	17.8	11.2	59%
Adjusted EBITDA from continuing operations	8.3	7.8	6 %	25.9	20.1	29%

Sales in this segment by production location were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Chile	$ 26.8	$ 26.4	2 %	$ 89.3	$ 86.0	4%
Brazil	14.7	15.6	(6)%	41.6	41.1	1%
Total	$ 41.5	$ 42.0	(1)%	$ 130.9	$ 127.1	3%

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2013 compared to the quarter and nine months ended September 30, 2012 are as follows:

	Quarter Ended September 30, 2013 versus 2012		Nine Months Ended September 30, 2013 versus 2012	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Chile	5 %	(2)%	5 %	(2)%
Brazil	(3)%	(2)%	(10)%	(4)%

For the quarter and nine month periods ended September 30, 2013, compared to the same period in 2012, sales volumes in Chile were lower due to increased imports from North America. For the same periods, sales volumes in Brazil are lower due to reduced production related to maintenance work completed on its press during the period.

Sales prices in Chile increased for both the quarter and nine month period ended September 30, 2013 as compared to the corresponding periods in 2012 due to price increases implemented. Sales prices in Brazil decreased for both the quarter and nine month period ended September 30, 2013 as compared to the corresponding periods in 2012 due to the impact of the fluctuations in the Brazilian real relative to the U.S. dollar as a majority of these sales are in local markets. Local currency selling prices in Chile increased for the quarter by 10% and for the nine month period by 5% and local currency selling prices in Brazil increased 8% for the third quarter and 13% for the nine month period as compared to the corresponding periods in 2012.

OTHER PRODUCTS

Our other products segment includes our joint venture that produces and sells cellulose insulation. This category also includes remaining timber and timberlands and other minor products, services and closed operations which are not classified as discontinued operations.

Segment sales, operating losses and adjusted EBITDA from continuing operations for this category are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2013	2012	Change	2013	2012	Change
Net sales	$ 3.9	$ 3.4	15 %	$ 10.3	$ 10.1	2%
Operating losses	(2.1)	(2.6)	19 %	(6.1)	(7.8)	22%
Adjusted EBITDA from continuing operations	(1.3)	(1.7)	(24)%	(3.7)	(4.9)	N.M.

For the quarter and nine months ended September 30, 2013, compared to the same periods in 2012, operating results in our other products businesses were higher due to improved operation in our joint-venture and reduced costs associated with non-operating sites.

GENERAL CORPORATE AND OTHER EXPENSE, NET

For the quarter and nine months ended September 30, 2013, compared to the same periods in 2012, general corporate expenses increased 22% and 17% and overall selling and administrative expenses increased by 10% and 12%. General corporate and other expenses primarily consist of corporate overhead such as wages and benefits for corporate and sales personnel, professional fees, insurance and other expenses. The increase in general corporate expenses as well as overall selling and administrative costs is primarily due to the cost of an information technology

system upgrade we started in January 2013, expenses associated with the planned acquisition of Ainsworth and higher incentive compensation accruals.

INTEREST EXPENSE AND INVESTMENT INCOME

Components of interest expense, net of investment income, are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2013	2012	2013	2012
Investment income	$ 1.5	$ 3.3	$ 7.8	$ 9.8
SERP market adjustments	0.2	0.8	0.5	1.9
Investment income	1.7	4.1	8.3	11.7
Interest expense	(7.7)	(10.4)	(27.9)	(35.2)
Amortization of debt charges	(0.3)	(0.3)	(1.1)	(1.2)
Capitalized interest	0.4	—	1.0	—
Interest expense, net of capitalized interest	(7.6)	(10.7)	(28.0)	(36.4)
Gain on acquisition	—	—	35.9	—
Early debt extinguishment	(0.8)	—	(0.8)	(52.2)
Foreign currency gain (loss)	1.0	0.4	(3.3)	(2.3)
Total non-operating income (expense)	$ (5.7)	$ (6.2)	$ 12.1	$ (79.2)

INCOME TAXES

For the first nine months of 2013, we recorded an income tax provision on continuing operations of 21% as compared to an income tax benefit of 23% in the comparable period of 2012. The primary difference between the U.S. statutory rate of 35% and the effective rate applied to continuing operations for the first nine months of 2013 relates to the effect of foreign tax rates and decreases in valuation allowances associated with net operating loss carryforwards in various jurisdictions which are anticipated to be utilized in the current year based upon projected income. For the first nine months of 2012, the primary differences between the U.S. statutory rate of 35% and the effective rate applicable to our continuing operations relate to the effect of foreign tax rates, increases in valuation allowances associated with net operating loss carryforwards in various jurisdictions and increases in our reserves for uncertain tax positions. For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results unless this method does not result in a reliable estimate of year-to-date income tax expense. Each quarter the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is recorded in the current quarter.

DEFINED BENEFIT PENSION PLANS

We maintain several qualified and non-qualified defined benefit pension plans in the U.S. and Canada that cover a substantial portion of our employees. See Note 13 of the Notes to financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012 for further information on our plans. We estimate that our net periodic pension cost for 2013 will be approximately $7.5 million. If a curtailment or settlement occurs in 2013, this estimate may change significantly. We estimate that we will contribute approximately $5 to $7 million to our defined benefit pension plans in 2013.

LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our Annual Report on Form 10-K for the year ended December 31, 2012 and Note 12 to the Notes to the financial statements contained herein.

HARDBOARD TRIM LITIGATION

We were named in a putative class action lawsuit filed in the United States District Court for the Western District of Pennsylvania during the third quarter of 2013. The case, *Harbison v Louisiana Pacific*, 2:13-CV-00814-AJS (W.D. PA) is related to nontreated hardboard trim product formerly manufactured at our Roaring River, North Carolina hardboard plant. In 2012, we were named in six putative class action lawsuits related to the nontreated hardboard trim product: *Brown v. Louisiana-Pacific* Corporation., Case No. 4:12-CV-00102-RP-TJS (S.D. Iowa); *Holbrook v. Louisiana-Pacific Corporation, et al.*, Case No. 3:12-CV-00484-JGC (N.D. Ohio); *Bristol Village Inc. v. Louisiana-Pacific Corporation, et al.*, Case No. 1:12-CV-00263 (W.D.N.Y.), *Prevett v. Louisiana-Pacific*, Case No. 6:12-CV-348-ORL-18-KRS (M.D. Fla) , *Riley v. Louisiana-Pacific*, Case No. 6:12-CV-00837-18 (M.D. Fla), and *Eugene Lipov v. Louisiana-Pacific,* Case 1:12-CV-00439- JTN (W.D. Mich). Prior to 2012, we were named in two state-wide putative class action lawsuits filed in United States District Courts involving the same discontinued nontreated hardboard trim product: *Ellis, et al. v. Louisiana-Pacific Corp.*, Case No. 3:11-CV-191 (W.D.N.C.); and *Hart, et al. v. Louisiana-Pacific Corp.*, Case No. 2:08-CV-00047 (E.D.N.C.).

The *Prevett* lawsuit was voluntarily dismissed by the plaintiffs shortly after filing. The *Ellis* and *Hart* cases were dismissed by the federal trial judges and plaintiffs have appealed both cases to the Fourth Circuit Court of Appeals.

The plaintiffs in these lawsuits generally seek to certify classes consisting of all persons that own structures within the respective states in which the lawsuit were filed (or, in some cases, within the United States) on which the hardboard trim in question is installed. The plaintiffs seek unspecified damages and injunctive and other relief under various state law theories, including negligence, violations of consumer protection laws, and breaches of implied and express warranties, fraud, and unjust enrichment. While some individual owners of structures within the putative classes may have valid warranty claims, we believe that the claims asserted on a class basis are without merit and we intend to defend these matters vigorously. We have established warranty reserves for the hardboard trim in question pursuant to our normal business practices, and we do not believe that the resolution of these lawsuits will have a material effect on our financial condition, results of operations, cash flows or liquidity.

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

Our principal sources of liquidity are existing cash and investment balances, cash generated by our operations and our ability to borrow under credit facilities. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital market transactions.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness and making capital expenditures. We may also from time to time prepay or repurchase outstanding indebtedness, repurchase shares of our common stock and acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued or resumed, and the method or methods of effecting any such repurchases may be changed, at any time or from time to time without prior notice.

We expect to be able to meet the future cash requirements of our existing businesses through cash expected to be generated from operations, existing cash and investment balances, existing credit facilities and other capital resources. The following discussion provides further details of our liquidity and capital resources.

OPERATING ACTIVITIES

During the first nine months of 2013, we generated $222.8 million of cash from operating activities compared to $48.8 million during the first nine months of 2012. The increase in cash provided by operating activities in the first nine months of 2013 was primarily related to improved operating results.

During the first nine months of 2013, our accounts receivable balance increased due primarily to higher sales volumes across all product lines. No substantial change occurred in credit terms or number of days outstanding. Inventory increased based on seasonality in demand.

INVESTING ACTIVITIES

During the first nine months of 2013, cash used in investing activities was approximately $12.0 million. Capital expenditures in the first nine months of 2013 were $43.3 million. Acquisitions, net of cash acquired used was $67.4 million in the first nine months of 2013. Additionally, we received $13.9 million from our joint ventures and $16.7 million proceeds from the sale of assets. During the first nine months of 2013, we also received $91.4 million for the notes receivable from asset sales. Included in “Accounts payable” is $2.2 million related to capital expenditures that had not yet been paid as of September 30, 2013.

During the first nine months of 2012, cash provided from investing activities was approximately $0.6 million. Capital expenditures in the first nine months of 2012 were $16.1 million. Additionally, we received $6.6 million from our joint ventures for working capital requirements and received $9.1 million from the sale of assets. Included in “Accounts payable” was $2.7 million related to capital expenditures that had not yet been paid as of September 30, 2012.

We expect to make no more than $75 million of capital expenditures in 2013. Additionally, we will spend approximately $10 million in capital associated with our information technology systems upgrade.

FINANCING ACTIVITIES

During the first nine months of 2013 cash used by financing activities was $125.2 million. We made a $113.1 million payment on loans during the first nine months of 2013. We used $12.0 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee equity plans.

During the first nine months of 2012, we provided $102.6 million from financing activities. During the second quarter of 2012, we issued $350.0 million of 7.5% Senior Notes due 2020, and used approximately $248.6 million of the proceeds of this issuance to fully retire our Senior Secured Notes due in 2017 and pay related transaction costs and expenses. We also received $1.2 million from the sale of common stock under equity plans.

CREDIT AGREEMENTS

We have a credit facility which provides for a committed asset-based borrowing capacity of up to $100 million, with a $60 million sublimit for U.S. letters of credit and a $10 million sublimit for Canadian letters of credit. The credit facility is scheduled to end in October 2016.

The availability of credit under the credit facility is subject to a borrowing base, which is calculated based on certain percentages of accounts receivable and inventory and at any given time may limit the amount of borrowings and letters of credit otherwise available under the facility. In addition, the credit facility contains a covenant requiring us to maintain a fixed charge coverage ratio of at least 1.1 to 1.0 at any time that our unused borrowing base capacity after adjustment to exclude certain past due trade payables falls below $15 million. This covenant effectively precludes us from using all or a portion of the last $15 million of our unused borrowing base capacity, if, before or immediately after such use, we would not satisfy the minimum fixed charge coverage ratio. The credit facility allows us to pledge, as security for our reimbursement obligations in respect of letters of credit issued under the facility, cash collateral in an amount not less than 105% of the stated amount of such letters of credit. The above-described preclusion to our utilization of $15 million of the capacity otherwise available under the facility does not apply to such cash collateralized letters of credit. At September 30, 2013, we had $100 million of borrowing base capacity under the facility and no borrowings outstanding under the facility. Under this facility at September 30, 2013, were $8.7 million in letters of credit which were collateralized by $9.2 million of cash. Based upon our available cash balances, we do not currently anticipate using this facility except to obtain and maintain letters of credit.

Subject to certain exceptions, obligations under the credit facility are secured by, among other things, a first-priority lien on our present and future receivables, inventory and certain general intangibles and are guaranteed by certain of our subsidiaries.

The credit facility contains customary covenants applicable to us and our subsidiaries, other than certain unrestricted subsidiaries, including certain financial covenants as well as restrictions on, among other things, our ability to: incur debt; incur liens; declare or make distributions to our stockholders; make loans and investments; repay debt; enter into mergers, acquisitions and other business combinations; form or acquire subsidiaries; amend or modify our

governing documents; enter into hedging arrangements; engage in other businesses other than our business as currently conducted; and enter into transactions with affiliates. The credit facility also contains customary events of default, the occurrence of which could result in the acceleration of our obligation to repay the indebtedness outstanding thereunder.

Obligations under the indenture governing our Senior Notes due 2020 are unsecured and not presently guaranteed by any of our subsidiaries. The indenture contains customary covenants applicable to us and our subsidiaries, other than certain unrestricted subsidiaries, including restrictions on actions and activities that are restricted under the credit facility. The indenture also contains customary events of default, the occurrence of which could result in acceleration of our obligations to repay the indebtedness outstanding thereunder. As of September 30, 2013, LP is in compliance with these covenants.

In connection with our proposed acquisition of Ainsworth Lumber Co. Ltd.,we entered into a commitment letter (the "Commitment Letter") with Goldman Sachs Lending Partners, LLC ("Goldman Sachs"), Bank of Montreal ("BMO") and BMO Capital Markets ("BMO Capital") pursuant to which Goldman Sachs and BMO (collectively, the "Lenders") have severally committed to provide senior secured term loan financing for the Transaction and related matters in an aggregate amount of up to $430 million on the terms and subject to the conditions set forth therein. The obligations of the Lenders to provide such financing are subject to the execution and delivery of mutually acceptable definitive loan documents, which are expected to contain customary representations, warranties, covenants and events of default. The obligations of the Lenders under the Commitment Letter are also subject to completion of the acquisition, the absence of the occurrence of a Material Adverse Effect (as defined in the Commitment Letter) in relation to Ainsworth, the accuracy of certain representations and warranties in relation to Ainsworth and us, and the Lenders (or certain affiliates thereof) having been provided a period of at least 20 days to seek to syndicate the term loan facility after having been provided specified information by us and prior to the funding of the term loan. As a result of recent amendments to the indenture governing Ainsworth's 7.5% Senior Secured Notes due 2017, the acquisition of Ainsworth by LP will not trigger an obligation to offer to repurchase such Notes. Consequently, LP does not contemplate borrowing more than $100 million pursuant to the Commitment Letter.

On November 1, 2013, we entered into a commitment letter (the "Commitment Letter") with American AgCredit, FLCA ("AAC"), CoBank, ACB ("CoBank"), Farm Credit Services of America, PCA ("FCSA"), and AgFirst Farm Credit Bank ("AgFirst") pursuant to which AAC and FCSA (collectively, the "Lenders") have severally committed to provide senior secured revolving financing to the Company in an aggregate amount of up to $200 million on the terms and subject to the conditions set forth therein. The proceeds of the facility will be used by us to fund a portion of the purchase price for the previously announced acquisition (the "Acquisition") by the Company of Ainsworth Lumber Company Ltd. ("Ainsworth") and will otherwise be available for working capital purposes. The obligations of the Lenders to provide such financing are subject to the execution and delivery of mutually acceptable definitive loan documents, which are expected to contain customary representations, warranties, covenants and events of default, including a minimum liquidity covenant and a maximum capitalization ratio covenant. The commitments of the Lenders will expire on, and definitive loan documents must be executed and delivered by, December 2, 2013. The consummation of the Acquisition is not a condition to the closing of the financing.

In connection with the Commitment Letter discussed above, we terminated a commitment letter (the "Prior Commitment Letter") with Goldman Sachs Lending Partners, LLC ("Goldman Sachs"), Bank of Montreal ("BMO") and BMO Capital Markets pursuant to which Goldman Sachs and BMO had previously committed to provide up to $430 million of senior secured term loan financing for the Acquisition and related matters. Prior to the termination, (1) Ainsworth entered into a supplemental indenture relating to its 7.5% Senior Secured Notes due 2017 (the "Notes") which modified certain definitions in the indenture relating to the Notes (the "Indenture") so that the Acquisition, and the designation by the Company of members of Ainsworth’s board of directors upon and after the consummation of the Acquisition, will not constitute a “Change of Control” under the Indenture and Ainsworth will not be required to make a “Change of Control Offer” under the Indenture in connection with the Acquisition and (2) the Company reduced the amount of financing available under the Prior Commitment Letter to $100 million.

We currently intend to fund the cash portion of the purchase price payable for the Acquisition through a combination of cash on hand by us and Ainsworth and borrowings under the revolving credit facility contemplated by the Commitment Letter. We also intend to terminate our existing revolving credit facility in connection with the entry into the revolving credit facility contemplated by the Commitment Letter.

OTHER LIQUIDITY MATTERS

As of September 30, 2013, we had $3.8 million ($23.4 million, par value) of principal invested in auction rate securities (ARS). The ARS held by us are securities with long-term nominal maturities for which the interest rates were historically reset through a Dutch auction each month. The ARS are included in long-term investments on the Condensed Consolidated Balance Sheets.

We review our marketable securities routinely for other-than-temporary impairment. The primary factors we use to determine if an impairment charge must be recorded because a decline in value of the security is other than temporary include (i) whether the fair value of the investment is significantly below its cost basis, (ii) the financial condition of the issuer of the security (including its credit rating), (iii) the length of time that the cost of the security has exceeded its fair value and (iv) our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value.

If uncertainties in the credit and capital markets continue, these markets deteriorate further or we experience any ratings downgrades on any investments in our portfolio (including on ARS), we may incur additional impairments to our investment portfolio, which could negatively affect our financial condition, results of operations and cash flow.

POTENTIAL IMPAIRMENTS

We continue to review several mills and investments for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. As of September 30, 2013, there were no indications of impairment for the asset grouping that included the company's indefinitely curtailed facilities. As of September 30, 2013, the fair value of facilities that have not been indefinitely curtailed was substantially in excess of its carrying value and supports the conclusion that no impairment is necessary for those facilities.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

A portion of our outstanding debt bears interest at variable rates and accordingly is sensitive to changes in interest rates. Interest rate changes would result in gains or losses in the market value of our debt portfolio due to differences in market interest rates and the rates at the inception of the debt agreements. Offsetting the variable rate debt are variable rate notes receivable from asset sales. Based upon the balances of the variable rate notes receivable from asset sales and the variable rate debt at September 30, 2013, a 100 basis point interest rate change would impact pre-tax net income and cash flows by $0.4 million annually.

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar, Brazilian real and the Chilean peso. Although we have in the past entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

Some of our products are sold as commodities and therefore sales prices fluctuate daily based on market factors over which we have little or no control. The most significant commodity product we sell is OSB. Based upon an assumed annual production capacity of 5.8 billion square feet (3/8" basis) or 5.0 billion square feet (7/16" basis), a $1 change in the annual average price per square foot on 7/16" basis would change annual pre-tax profits by approximately $5.0 million. Until the housing market more fully recovers, we expect that our near term volumes will be below our capacity.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have carried out, as of September 30, 2013, with the participation of LP's management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act (the "Act"). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that LP's disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
SUMMARY OF PRODUCTION VOLUMES [1]

The following table sets forth production volumes for the third quarter and nine months ended September 30, 2013 and 2012.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Oriented strand board, million square feet 3/8" basis[1]	996	903	2,888	2,625
Oriented strand board, million square feet 3/8" basis (produced by wood-based siding mills)	42	51	126	146
Wood-based siding, million square feet 3/8" basis	251	229	768	704
Engineered I-Joist, million lineal feet[1]	19	18	56	50
Laminated veneer lumber (LVL), thousand cubic feet[1] and laminated strand lumber (LSL), thousand cubic feet	1,976	1,752	5,838	5,163

(1) Includes volumes produced by joint venture operations and sold to LP or through sales arrangements.

INDUSTRY PRODUCT TRENDS

The following table sets forth the average wholesale price of OSB in the United States for the periods specified in dollars per 1,000 square feet.

	OSB Western Canada 7/16" Basis	OSB Southwest 7/16" Basis	OSB N. Central 7/16" Basis
Annual Average			
2009	$ 145	$ 161	$ 163
2010	$ 214	$ 210	$ 220
2011	$ 154	$ 172	$ 186
2012 1st Qtr. Avg .	$ 201	$ 205	$ 203
2012 2nd Qtr. Avg.	$ 232	$ 224	$ 235
2012 3rd Qtr. Avg.	$ 310	$ 294	$ 313
2013 1st Qtr. Avg.	$ 419	$ 420	$ 417
2013 2nd Qtr Avg.	$ 328	$ 320	$ 347
2013 3rd Qtr Avg.	$ 232	$ 220	$ 252

Source: *Random Lengths*

PART II -OTHER INFORMATION

Item 1. Legal Proceedings.

The description of certain legal and environmental matters involving LP set forth in Part I of this report under "Note 15 – Contingency Reserves" is incorporated herein by reference.

Item 1A. Risk Factors.

You should be aware that the occurrence of any of the events described in this Risk Factors section and elsewhere in this report or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below and the matters described in "About Forward-Looking Statements."

Cyclical industry conditions and commodity pricing have and may continue to adversely affect our financial condition and results of operations. Our operating results reflect the general cyclical pattern of the building products industry. Demand for our products correlates to a significant degree to the level of residential construction activity in North America, which historically has been characterized by significant cyclicality. This cyclicality is influenced by a number of factors, including the supply of new and existing homes on the market, the level of unemployment, longer-term interest rates, and mortgage foreclosure rates. The cyclicality is also influenced by the availability of mortgage financing, which is currently more restrictive than normal and which could be adversely affected by the implementation of one or more proposals to eliminate or reduce the mortgage market roles of or levels of support for government-sponsored enterprises such as Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. A significant increase in longer-term interest rates, a prolonged decline in the availability of mortgage financing, or the occurrence of other events that reduce levels of residential construction activity could have a material adverse effect on our financial condition, results of operations and cash flows. Our primary product, OSB, and a significant portion of our raw materials are globally traded commodity products. In addition, our products are subject to competition from manufacturers worldwide. Historical prices for our products have been volatile, and we, like other participants in the building products industry, have limited influence over the timing and extent of price changes for our products. Product pricing is significantly affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors. The level of new residential construction activity and home repair and remodeling activity primarily affects the demand for our building products. Demand is also subject to fluctuations due to changes in economic conditions, interest rates, population growth, weather conditions and other factors. We are not able to predict with certainty market conditions and selling prices for our products. In this competitive environment with so many variables for which we do not control, we cannot assure you that prices for our products will not decline from current levels. A prolonged and severe weakness in the markets for one or more of our principal products, particularly OSB, could seriously harm our financial condition and results of operations and our ability to satisfy our cash requirements, including the payment of interest and principal on our debt.

We have a high degree of product concentration. OSB accounted for about 57% of our North American sales in the first nine months of 2013 compared to 51% in the comparable period of 2012, and 49% and 51% of our North American sales in 2012 and 2011 and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. Concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. In this competitive environment with so many variables for which we do not control, we cannot assure you that pricing for OSB or our other products will not decline from current levels.

Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and profitability. The markets for our products are highly competitive. Our competitors range from very large, fully integrated forest and building products firms to smaller firms that may manufacture only one or a few types of products. We also compete less directly with firms that manufacture substitutes for wood building products. Many of

our competitors have greater financial and other resources than we do, and certain of the mills operated by our competitors may be lower-cost producers than the mills operated by us.

Our results of operations may be harmed by potential shortages of raw materials and increases in raw material costs. The most significant raw material used in our operations is wood fiber. We currently obtain about 75% (as of December 31, 2012) of our wood fiber requirements in the open market. Wood fiber is subject to commodity pricing, which fluctuates on the basis of market factors over which we have no control. In addition, the cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of governmental, economic or industry conditions, and may be affected by increased demand resulting from initiatives to increase the use of biomass materials in the production of heat, power, biobased products and biofuels. In addition to wood fiber, we also use a significant quantity of various resins in our manufacturing processes. Resin product costs are influenced by changes in the prices or availability of raw materials used to produce resins, primarily petroleum products, as well as demand for and availability of resin products. Selling prices of our products have not always increased in response to raw material cost increases. We are unable to determine to what extent, if any, we will be able to pass any future raw material cost increases through to our customers through product price increases. Our inability to pass increased costs through to our customers could have a material adverse effect on our financial condition, results of operations and cash flows.

Many of the Canadian forestlands from which we obtain wood fiber also are subject to the constitutionally protected treaty or common-law rights of the aboriginal peoples of Canada. Most of British Columbia is not covered by treaties and, as a result, the claims of British Columbia's aboriginal peoples relating to forest resources are largely unresolved, although many aboriginal groups are actively engaged in treaty discussions with the governments of British Columbia and Canada. Final or interim resolution of claims brought by aboriginal groups are expected to result in additional restrictions on the sale or harvest of timber and may increase operating costs and affect timber supply and prices in Canada.

We depend on our senior management team and other key employees, and significant attrition within our management team could adversely affect our business. Our success depends in part on our ability to attract, retain and motivate senior management and other key employees. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, competitors' hiring practices, cost reduction activities, and the effectiveness of our compensation programs. Competition for qualified personnel can be very intense. We must continue to recruit, retain and motivate senior management and other key employees sufficient to maintain our current business and support our future projects. A loss of any such personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition and results of operations.

Our operations require substantial capital. Capital expenditures for expansion or replacement of existing facilities or equipment or to comply with future changes in environmental laws and regulations may be substantial. Although we maintain our production equipment with regular periodic and scheduled maintenance, we cannot assure you that key pieces of equipment in our various production processes will not need to be repaired or replaced or that we will not incur significant additional costs associated with environmental compliance. The costs of repairing or replacing such equipment and the associated downtime of the affected production line could have a material adverse effect on our financial condition, results of operations and cash flow. If for any reason we are unable to provide for our operating needs, capital expenditures and other cash requirements on economic terms, we could experience a material adverse effect on our business, financial condition, results of operations and cash flows.

Our pension and health care costs are subject to numerous factors which could cause these costs to change. We have defined benefit pension plans covering substantially all U.S. and Canadian employees. We provide retiree health care benefits to certain of our U.S. salaried and certain hourly employees. Our pension costs are dependent upon numerous pension plan provisions that are subject to interpretations and factors resulting from actual plan experience and assumptions of future experience. Pension plan assets are primarily made up of equity and fixed income investments. Fluctuations in actual equity market returns; changes in general interest rates and changes in the number of retirees may result in increased pension costs in future periods. Likewise, changes in assumptions regarding current discount rates and expected rates of return on plan assets could also increase pension and health

care costs. Although we froze our U.S. defined benefit plan in January 2010 in terms of future service credits, we continue to be subject to market risk on pension plan assets as well as discount rates on long-term obligations. Significant adverse changes in the factors affecting our pension and health care costs could adversely affect our cash flows, financial condition and results of operations.

Our pension plans are currently underfunded, and over time we will be required to make cash payments to the plans, reducing the cash available for our business. We record a liability associated with our pension plans equal to the excess of the benefit obligation over the fair value of plan assets. The benefit liability recorded under the provisions of Accounting Standards Codification (ASC) 715, “Compensation—Retirement Benefits,” at December 31, 2012 was $92.7 million. Although we expect to have no obligation to fund our plans in 2013, we continually reassess the amount and timing of any discretionary contributions. Regardless of whether we make a discretionary contribution in 2013, over the next several years we may make contributions to the plans that are likely to be material. The amount of such contributions will depend upon a number of factors, principally the actual earnings and changes in values of plan assets and changes in interest rates.

A portion of our operations are conducted by joint ventures that we cannot operate solely for our benefit. We conduct a portion of our operations through joint ventures. In joint ventures we share ownership and management of a company with one or more parties who may or may not have the same goals, strategies, priorities or resources as we do. In general, joint ventures are intended to be operated for the benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information and making decisions. In joint ventures, we are required to pay more attention to our relationship with our co-owners as well as with the joint venture, and if a co-owner changes, our relationship may be adversely affected. In addition, the benefits from a successful joint venture are shared among the co-owners, so that we do not receive all the benefits from our joint ventures.

We depend on third parties for transportation services and increases in costs and the availability of transportation could materially and adversely affect our business and operations. Our business depends on the transportation of a large number of products, both domestically and internationally. We rely primarily on third parties for transportation of the products we manufacture and/or distribute as well as for delivery of our raw materials. In particular, a significant portion of the goods we manufacture and raw materials we use are transported by railroad or trucks, which are highly regulated. If any of our third-party transportation providers were to fail to deliver the goods we manufacture or distribute in a timely manner, we may be unable to sell those products at full value or at all. Similarly, if any of these providers were to fail to deliver raw materials to us in a timely manner, we may be unable to manufacture our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at reasonable cost. Any failure of a third-party transportation provider to deliver raw materials or finished products in a timely manner could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our financial condition and results of operation. In addition, an increase in transportation rates or fuel surcharges could materially and adversely affect our sales and profitability.

We are subject to significant environmental regulation and environmental compliance expenditures and liabilities. Our businesses are subject to many environmental laws and regulations, particularly with respect to discharges of pollutants and other emissions on or into land, water and air, and the disposal and remediation of hazardous substances or other contaminants and the restoration and reforestation of timberlands. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Moreover, some or all of the environmental laws and regulations to which we are subject could become more stringent in the future. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or remedial actions.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities,

including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot assure you that existing or future circumstances or developments with respect to contamination will not require significant expenditures by us.

We are involved in various environmental matters, product liability and other legal proceedings. The outcome of these matters and proceedings and the magnitude of related costs and liabilities are subject to uncertainties. The conduct of our business involves the use of hazardous substances and the generation of contaminants and pollutants. In addition, the end-users of many of our products are members of the general public. We currently are and from time to time in the future may be involved in a number of environmental matters and legal proceedings, including legal proceedings involving anti-trust, warranty or non-warranty product liability claims, negligence and other claims, including claims for wrongful death, personal injury and property damage alleged to have arisen out of the use by others of our or our predecessors' products or the release by us or our predecessors of hazardous substances. Environmental matters and legal matters and proceedings, including class action settlements relating to certain of our products, have in the past caused and in the future may cause us to incur substantial costs. We have established contingency reserves in our consolidated financial statements with respect to the estimated costs of existing environmental matters and legal proceedings to the extent that our management has determined that such costs are both probable and reasonably estimable as to amount. However, such reserves are based upon various estimates and assumptions relating to future events and circumstances, all of which are subject to inherent uncertainties. We regularly monitor our estimated exposure to environmental and litigation loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time. We may incur costs in respect of existing and future environmental matters and legal proceedings as to which no contingency reserves have been established. We cannot assure you that we will have sufficient resources available to satisfy the related costs and expenses associated with these matters and proceedings.

Settlements of tax exposures may exceed the amounts we have established for known estimated tax exposures. We maintain reserves for known estimated tax exposures in federal, state and international jurisdictions and uncertain tax positions. Significant income tax exposures may include potential challenges to intercompany pricing and loans, the treatment of financing, acquisition and disposition transactions, the use of hybrid entities and other matters. These exposures are settled primarily through the closure of audits with the taxing jurisdictions and, on occasion, through the judicial process, either of which may produce a result inconsistent with past estimates. We believe that we have established appropriate reserves for estimated exposures; however, if actual results differ materially from our estimates we could experience a material adverse effect on our financial condition, results of operations and cash flows. In addition, our deferred tax liabilities include substantial amounts related to installment sales of timber lands in 1998 and 2003 for which we have previously monetized most of the installment receivable. As a result of these monetizations, we will be required to fund these liabilities from sources other than such installments, potentially including such tax loss and credit carryovers as may then be available.

Fluctuations in foreign currency exchange rates could result in currency exchange losses and reductions in stockholder's equity. A significant portion of our operations are conducted through foreign subsidiaries. The functional currency for our Canadian subsidiary is the U.S. dollar. The financial statements of this foreign subsidiary are remeasured into U.S. dollars using the historical exchange rate for property, plant and equipment, timber and timberlands, equity and certain other non-monetary assets and liabilities and related depreciation and amortization on these assets and liabilities. These transaction and translation gains or losses are recorded in foreign exchange gains (losses) in the income statement. The functional currency of our Chilean subsidiary is the Chilean *peso* and the functional currency in our Brazil subsidiary is the Brazilian *real*. Translation adjustments, which are based upon the exchange rate at the balance sheet date for assets and liabilities and the weighted average rate for the income statement, are recorded in the Accumulated Comprehensive Income (Loss) section of Stockholders' Equity. Therefore, changes in the Canadian dollar, the Chilean *peso* or the Brazilian *real* relative to the U.S. dollar may have a material adverse effect on our financial condition and results of operations.

Our ability to service our indebtedness, to refinance our indebtedness or to fund our other liquidity needs is subject to various risks. Our ability to make scheduled payments on and to refinance our indebtedness depends on

and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors, including the availability of financing in the banking and capital markets as well as the other risks described herein. In particular, demand for our products correlates to a significant degree to the level of residential construction activity in North America, which historically has been characterized by significant cyclicality. Over the last several years, housing starts remained below “normal” levels. This reduced level of building was caused, in part, by an increase in the inventory of homes for sale, a more restrictive mortgage market and a slowed economy. There can be no assurance as to when, or if the housing market, will rebound to “normal levels”. We have experienced significant losses from operations and significant net cash used in operating activities in recent periods. Accordingly, we cannot assure you that our business will generate sufficient cash flows from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, to refinance our debt or to fund our other liquidity needs. If we are unable to service our debt obligations or to fund our other liquidity needs, we could be forced to curtail our operations, reorganize our capital structure or liquidate some or all of our assets in a manner that could cause the holders of our securities to experience a partial or total loss of their investment in us.

We have not independently verified the results of third-party research or confirmed assumptions or judgments upon which it may be based, and the forecasted and other forward-looking information contained therein is subject to inherent uncertainties. We refer in this report and other documents that we file with the SEC to historical, forecasted and other forward-looking information published by sources such as *RISI*, *FEA*, *Random Lengths* and the U.S. Census Bureau that we believe to be reliable. However, we have not independently verified this information and, with respect to the forecasted and forward-looking information, have not independently confirmed the assumptions and judgments upon which it is based. Forecasted and other forward looking information is necessarily based on assumptions regarding future occurrences, events, conditions and circumstances and subjective judgments relating to various matters, and is subject to inherent uncertainties. Actual results may differ materially from the results expressed or implied by, or based upon, such forecasted and forward-looking information.

Initiatives to upgrade our information technology infrastructure involve many risks. We regularly implement business process improvement initiatives to optimize our performance. Our current initiatives include plans to further standardize the business processes and technology that support our strategies through implementation of an new software solution over the next few years. We may experience difficulties as we transition to these new or upgraded systems and processes, including loss of data and decreases in productivity as our personnel become familiar with new systems. In addition, transitioning to these new or upgraded systems requires significant capital investments and personnel resources. Difficulties in implementing new or upgraded information systems or significant system failures could disrupt our operations and have a material adverse effect on our business, financial condition, results of operations or cash flows. In addition, we will experience significant changes in our internal controls over financial reporting as our implementation progresses. If we are unable to manage these changes successfully, our ability to timely and accurately process transactions and report our results of operations could be adversely affected.

Our proposed acquisition of Ainsworth may intensify our exposure to existing risks and expose us to new risks. Ainsworth is exposed to substantially all of the risks to which we are currently exposed, as well as additional risks that arise from its specific circumstances. As a result, the completion of our proposed acquisition of Ainsworth will both intensify our exposure to existing risks (including those associated with our high degree of product concentration in OSB, demands on our senior management team and other key employees, capital needs and fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar) and expose us to new risks. In addition, because the purchase price that we are obligated to pay Ainsworth shareholders consists substantially of a fixed amount of cash denominated in Canadian dollars and a fixed number of shares of LP common stock, we are exposed to risks associated with a potential decline in Ainsworth’s enterprise value as well as a potential strengthening of the Canadian dollar, and will pay greater value to the extent of any appreciation in the value of shares of LP common stock prior to the completion of the acquisition. The completion of the acquisition of Ainsworth is subject to specified conditions, including the receipt of certain regulatory approvals. The relevant governmental authorities may impose conditions on those approvals that could adversely affect the business, financial condition and results of operations of the combined enterprise. In addition, there can be no assurance that

the combined enterprise will not experience a reduction in its allocated cutting rights under governmental tenures. The uncertainties regarding whether, when and the terms upon which the conditions to the acquisition will be satisfied may cause Ainsworth's customers, suppliers and other business partners to delay, defer or otherwise alter decisions and approaches regarding Ainsworth and, together with uncertainties regarding post-acquisition staffing requirements and roles, may adversely affect Ainsworth's ability to attract or retain key management personnel. In addition, the completion of the acquisition will involve the integration of companies that previously operated independently and will present a number of challenges (including the integration of operations, systems and personnel) and risks (including possible unanticipated costs and liabilities, diversion of management's attention and loss of key employees). Difficulties encountered in the transition and integration processes could have an adverse effect on the business, financial condition and results of operations of the combined enterprise and on the benefits sought to be realized from the acquisition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In connection with the Arrangement Agreement described above, the LP has agreed to issue approximately 27.5 million LP Shares to Ainsworth shareholders. LP will issue the LP Shares pursuant to an exemption from registration under Section 3(a)(10) of the Securities Act of 1933. LP anticipates that the exemption will be available because the Arrangement Agreement provides that the Transaction contemplated by the Arrangement Agreement will be implemented in a manner that satisfies the requirements of Section 3(a)(10).

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

N/A

Item 5. Other Information

None.

Item 6. Exhibits

10.1	$200 million Senior Secured Credit Facility Commitment Letter Between LP and American AgCredit, FLCA, CoBank, ACB, Farm Credit Services of America, PCA , and AgFirst Farm Credit Bank
10.2	Summary of Principal Terms and Conditions $200,000,000 Senior Secured Credit Facility
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).
32.1	Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
100.INS	XBRL Instance Document
100.SCH	XBRL Taxonomy Extension Schema Document
100.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
100.DEF	XBRL Taxonomy Extension Definition Linkbase Document
100.LAB	XBRL Taxonomy Extension Label Linkbase Document
100.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

LP hereby agrees to furnish supplementally to the SEC upon its request any schedules and similar documents omitted pursuant to Item 601(b)(2) of Regulation S-K and any instruments omitted pursuant to Item 601 (b)(4)(iii) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date:	November 5, 2013	BY:	/S/ CURTIS M. STEVENS
			Curtis M. Stevens
			Chief Executive Officer
Date:	November 5, 2013	BY:	/S/ SALLIE B. BAILEY
			Sallie B. Bailey
			Executive Vice President and Chief Financial Officer
			(Principal Financial Officer)

Exhibit 10.1

AMERICAN AGCREDIT, FLCA	**COBANK, ACB**
FARM CREDIT SERVICES OF AMERICA, PCA	**AGFIRST FARM CREDIT BANK**

PERSONAL AND CONFIDENTIAL

November 1, 2013

Louisiana-Pacific Corporation
414 Union Street, Suite 2000
Nashville, Tennessee 37219
Attention: Sallie Bailey

$200.0 million Senior Secured Credit Facility

Commitment Letter

Ladies and Gentlemen:

American AgCredit, FLCA (“**AAC**”), CoBank, ACB (“**CoBank**”), Farm Credit Services of America, PCA (“**FCSA**”), and AgFirst Farm Credit Bank (“**AgFirst**” and, together with AAC, CoBank and FCSA, the “**Commitment Parties**”, “**we**” or “**us**”) are pleased to confirm the arrangements under which (i) the Commitment Parties are exclusively authorized by Louisiana-Pacific Corporation, a Delaware corporation (the “**Borrower**”), to act as joint lead arrangers and joint bookrunners in connection with, (ii) each of CoBank and FCSA is exclusively authorized by the Borrower to act as a co-syndication agent in connection with, (iii) AAC is exclusively authorized by the Borrower to act as administrative agent in connection with, and (iv) AAC and FCSA commit, on a several but not joint basis, to provide the financing for, certain transactions described herein, in each case on the terms and subject to the conditions set forth in this letter and the attached Annexes A, B, C and D hereto (collectively, this “**Commitment Letter**”).

You have informed us that the Borrower intends to acquire (the “**Acquisition**”), directly or indirectly, all of the issued and outstanding common shares of Ainsworth Lumber Company Ltd. (“**Ainsworth**” and, together with its subsidiaries, the “**Acquired Business**”) and its subsidiaries. You have also informed us that, in connection with the foregoing, the Borrower intends to consummate the other Transactions described in the Transaction Description attached hereto as Annex B. You have also informed us that the total cost of the Acquisition and related fees, commissions and expenses will be financed from the following sources:

- up to $200.0 million under a new senior secured revolving credit facility (the “**Credit Facility**”) having the terms set forth on Annex C;
- cash on hand at the Borrower and/or its subsidiaries and/or cash on hand at the Acquired Business; and
- common equity of the Borrower issued to shareholders and option holders of Ainsworth.

1. **Commitments; Titles and Roles**.

Each of the Commitment Parties is pleased to confirm its agreement to act, and you hereby appoint each of the Commitment Parties to act, as joint lead arrangers and joint bookrunners in connection with the Credit Facility (each, a “**Lead Arranger**” and, collectively, the “**Lead Arrangers**”). Each of CoBank and FCSA is pleased to confirm its agreement to act, and you hereby appoint each of CoBank and FCSA to act, as a co-syndication agent in connection with the Credit Facility. AAC is pleased to confirm its agreement to act, and you hereby appoint AAC to act, as administrative agent (the “**Administrative Agent**”) for the Credit Facility. AgFirst is pleased to confirm its agreement to act, and you hereby appoint AgFirst to act, as documentation agent in connection with the Credit Facility. It is agreed that AAC will have “left side” designation and shall appear on the top left of the credit agreement evidencing

the Credit Facility and any offering or marketing materials in respect of the Credit Facility (AAC in such capacity, the "**Lead Left Arranger**") and each of CoBank, FCSA and AgFirst will have "right side" designation and shall appear on the top right of the credit agreement evidencing the Credit Facility and any offering or marketing materials in respect of the Credit Facility. AAC is pleased to commit to provide $130.0 million of the Credit Facility and FCSA is pleased to commit to provide $70.0 million of the Credit Facility, in each case on the terms and subject to the conditions contained in this Commitment Letter and the Fee Letter (referred to below). Such commitments are on a several but not joint basis and are for a ratable portion of the individual facilities that comprise the Credit Facility. On the Closing Date (as defined in Annex C), (a) CoBank intends to purchase a portion of AAC's commitment via assignment, (b) AgFirst intends to purchase a participation in AAC's commitment and (c) FCSA intends to sell participations in a portion of its commitment to GreenStone Farm Credit Services, FLCA and Farm Credit Mid-America, FLCA, in each case pursuant to separate documentation to be agreed upon among the Commitment Parties. Our fees for our commitments and for services related to the Credit Facility are set forth in a separate fee letter (the "**Fee Letter**") entered into by the Borrower and the Commitment Parties on the date hereof.

2. **Conditions Precedent**.

The Commitment Parties' commitments and agreements are subject to the execution and delivery of appropriate definitive loan documents relating to the Credit Facility including a credit agreement, guarantees, security agreement and pledge agreement (collectively, the "**Loan Documents**") that are substantially consistent with the terms set forth in this Commitment Letter (including, without limitation, the conditions precedent set forth on Annex D) and are otherwise acceptable to us and you and a payoff and lien release letter from the administrative agent under the Borrower's existing asset-based credit facility.

Notwithstanding anything in this Commitment Letter to the contrary, (a) the only representations relating to the Acquired Business the accuracy of which will be a condition to the availability and use of up to $100,000,000 of the Credit Facility (the "**Acquisition Sublimit**") on the closing date of the Acquisition (the "**Acquisition Date**") to fund the Acquisition will be (i) the representations made by or with respect to the Acquired Business in the Acquisition Agreement (as defined in Annex B) as are material to the interests of the Lender Parties (as defined below) and the Lead Arrangers (but only to the extent that the Borrower or its affiliates have the right not to consummate the Acquisition, or to terminate their obligations (or otherwise do not have an obligation to close), under the Acquisition Agreement as a result of a failure of such representations in the Acquisition Agreement to be true and correct) (the "**Specified Acquisition Agreement Representations**") and (ii) the Specified Representations (as defined below), and (b) the terms of the documentation for the Credit Facilities will be such that they do not impair the availability and use of the Acquisition Sublimit on the Acquisition Date if the conditions set forth herein and in Annex D hereto are satisfied (it being understood that (I) to the extent any security interest in the intended collateral (other than any collateral the security interest in which may be perfected by the filing of a UCC financing statement or intellectual property filings or the delivery of stock certificates) is not perfected on the Acquisition Date after your use of commercially reasonable efforts to do so, the perfection of such security interest(s) will not constitute a condition precedent to the use and availability of the Acquisition Sublimit on the Acquisition Date but such security interest(s) will be required to be perfected within 90 days after the Acquisition Date (or such longer period as may be agreed by the Administrative Agent) and (II) nothing in the preceding clause (a) will be construed to limit the applicability of the individual conditions set forth herein or in Annex D). As used herein, "**Specified Representations**" means representations relating to incorporation or formation; organizational power and authority to enter into the documentation relating to the Credit Facilities; due execution, delivery and enforceability of such documentation; solvency of the Borrower and its subsidiaries, taken as a whole; no conflicts with charter documents or material agreements; Federal Reserve margin regulations; the Investment Company Act; OFAC, the PATRIOT Act, FCPA and other anti-terrorism laws; status of the Credit Facilities as first lien senior debt; use of proceeds, and, subject to the limitations on perfection of security interests set forth in the preceding sentence, the creation, perfection and priority of the security interests granted in the proposed collateral.

3. **Commitment Allocations**.

The Lead Arrangers reserve the right at any time after the date of this Commitment Letter to further allocate, via assignments and/or participations and/or sub-participations, all or a portion of the Commitment Parties' respective commitments under the Credit Facility to other Farm Credit System institutions (together with the Commitment Parties, the "**Lender Parties**") identified by the Lead Arrangers. For the avoidance of doubt, such commitment allocations

shall not involve the institutional Term Loan B market. The Lead Left Arranger will determine the final commitment allocations and will notify the Borrower of such determinations. You agree that, until the Closing Date, there shall be no competing issues, offerings, placements, amendments, consents, waivers, refinancings, marketings or other arrangements of or in respect of debt securities or commercial bank or other credit facilities by or on behalf of the Borrower or any of its subsidiaries (and you shall use commercially reasonable efforts to ensure that there are no competing issues, offerings, placements, amendments, consents, waivers, refinancings, marketings or other arrangements of or in respect of debt securities or commercial bank or other credit facilities by or on behalf of the Acquired Business) being offered, placed, refinanced, marketed or arranged (other than the Credit Facility, the Consent Solicitation (as defined in Annex B), the credit facilities contemplated by that certain Commitment Letter dated September 4, 2013 among the Borrower, Goldman Sachs Lending Partners LLC, Bank of Montreal and BMO Capital Markets Corp. and filed by the Borrower with the Securities and Exchange Commission, so long as such credit facilities are not actively being marketed and are terminated on or before November 4, 2013, and capital lease, purchase money and equipment financings and letters of credit) without the prior written consent of the Lead Left Arrangers.

4. **Information**.

The Borrower represents and covenants that (i) all written information, documentation or materials delivered to the Commitment Parties in connection with the Credit Facility (collectively, the "**Information**") (other than financial projections and information of a general economic or industry-specific nature) provided directly or indirectly by the Acquired Business or the Borrower is and will be, when taken as a whole, complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading (after giving effect to all supplements and updates thereto from time to time) and (ii) the financial projections that have been or will be made available to the Lead Arrangers or the Lender Parties by or on behalf of the Acquired Business or the Borrower have been and will be prepared in good faith based upon assumptions that are believed by the preparer thereof to be reasonable at the time such financial projections are furnished to the Lead Arrangers or the Lender Parties, it being understood and agreed that financial projections are not a guarantee of financial performance and actual results may differ from financial projections and such differences may be material. You agree that if at any time prior to the Closing Date, any of the representations in the preceding sentence would be incorrect in any material respect if the Information and financial projections were being furnished, and such representations were being made, at such time, then you will, and you will use commercially reasonable efforts to cause the Acquired Business to, promptly supplement, or cause to be supplemented, the Information and financial projections so that such representations will be correct in all material respects under those circumstances. In arranging and allocating the Credit Facility, we will be entitled to use and rely on the Information and the financial projections without responsibility for independent verification thereof. We will have no obligation to conduct any independent evaluation or appraisal of the assets or liabilities of the Borrower, the Acquired Business or any other party or to advise or opine on any related solvency issues.

5. **Indemnification and Related Matters**.

In connection with arrangements such as this, it is the Lead Arrangers' policy to receive indemnification. The Borrower agrees to the provisions with respect to our indemnity and other matters set forth in Annex A, which is incorporated by reference into this Commitment Letter.

6. **Assignments**.

This Commitment Letter may not be assigned by you without the prior written consent of the Commitment Parties (and any purported assignment without such consent will be null and void), is intended to be solely for the benefit of the parties hereto and, except as set forth in Annex A hereto, is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. The Commitment Parties may assign their commitments and agreements hereunder, in whole or in part, to any of their respective affiliates. In addition, until the Closing Date, the Commitment Parties may, with the consent of the Borrower, assign their commitments and agreements hereunder, in whole or in part, to other Lender Parties. Any assignment by any Commitment Party to any potential Lender Party or any affiliate made prior to the Closing Date will only relieve such Commitment Party of its obligations set forth herein to fund that portion of the commitments so assigned if such assignment was approved by you in writing. Neither this Commitment Letter nor the Fee Letter may be amended or any term or provision hereof or thereof waived or otherwise modified except by an instrument in writing signed by each of the parties hereto or thereto, as applicable,

and any term or provision hereof or thereof may be amended or waived only by a written agreement executed and delivered by all parties hereto or thereto.

7. **Confidentiality**.

Please note that this Commitment Letter, the Fee Letter and any written communications provided by, or oral discussions with, the Commitment Parties in connection with this arrangement are exclusively for the information of the Borrower and may not be disclosed by you to any third party or circulated or referred to publicly without our prior written consent except, after providing written notice to the Commitment Parties, pursuant to a subpoena or order issued by a court of competent jurisdiction or by a judicial, administrative or legislative body or committee; *provided*, that we hereby consent to your disclosure of (i) this Commitment Letter, the Fee Letter and such communications and discussions to the Borrower's officers, directors, agents and advisors who are directly involved in the consideration of the Credit Facility and who have been informed by you of the confidential nature of such advice and this Commitment Letter and the Fee Letter and who have agreed to treat such information confidentially, (ii) this Commitment Letter and the Fee Letter or the information contained herein or therein to the Acquired Business to the extent you notify such person of its obligations to keep such material confidential, and to the Acquired Business's officers, directors, agents and advisors who are directly involved in the consideration of the Credit Facility to the extent such persons agree to hold the same in confidence (*provided* that any disclosure of the Fee Letter or its terms or substance to the Acquired Business or its officers, directors, agents and advisors shall be redacted in a manner satisfactory to the Commitment Parties), (iii) this Commitment Letter and the Fee Letter as required by applicable law or compulsory legal process (in which case you agree to inform us promptly thereof), (iv) this Commitment Letter and the Fee Letter to the extent reasonably necessary or advisable in connection with the exercise of any remedy or enforcement of any right under this Commitment Letter and the Fee Letter, (v) this Commitment Letter in connection with the filing by the Borrower with the Securities and Exchange Commission of a Current Report on Form 8-K reporting the entry by the Borrower into this Commitment Letter, (vi) the existence of this Commitment Letter and information about the Credit Facility to market data collectors, similar services providers to the lending industry, and service providers to the Commitment Parties and the Lender Parties in connection with the administration and management of the Credit Facility and (vii) the information contained in Annex C to Moody's Investor Services, Inc. ("**Moody's**") and Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation ("**S&P**"); *provided*, that such information is supplied to Moody's and S&P only on a confidential basis after consultation with the Commitment Parties.

The Commitment Parties agree that they will treat as confidential all information provided to them hereunder by or on behalf of the Borrower, the Acquired Business or any of their respective subsidiaries or affiliates; *provided*, *however*, that nothing herein will prevent the Commitment Parties from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any regulatory or self-regulatory authority exercising examination or regulatory authority) to inform you promptly thereof to the extent practicable and not prohibited by law), (b) upon the request or demand of any regulatory authority purporting to have jurisdiction over such person or any of its affiliates, (c) to the extent that such information is publicly available or becomes publicly available other than by reason of improper disclosure by such person, (d) to such person's affiliates and their respective officers, directors, partners, members, employees, legal counsel, independent auditors and other experts or agents who need to know such information and on a confidential basis, (e) to potential and prospective Lender Parties, participants and any direct or indirect contractual counterparties to any swap or derivative transaction relating to the borrower or its obligations under the Credit Facility, in each case, who are advised of the confidential nature of such information, (f) to Moody's and S&P and other rating agencies or to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent, the Commitment Parties and the Lender Parties in connection with the allocation, administration and management of the Credit Facility; *provided*, that such information is limited to Annex C and is supplied only on a confidential basis, (g) received by such person on a non-confidential basis from a source (other than the Borrower, the Acquired Business or any of their respective affiliates, advisors, members, directors, employees, agents or other representatives) not known by such person to be prohibited from disclosing such information to such person by a legal, contractual or fiduciary obligation, (h) to the extent that such information was already in the Commitment Parties' possession or is independently developed by the Commitment

Parties, (i) for purposes of establishing a "due diligence" defense, (j) with your prior written consent and (k) to the extent reasonably necessary or advisable in connection with the exercise of any remedy or enforcement of any right under this Commitment Letter and the Fee Letter. The Commitment Parties' obligation under this provision shall remain in effect until the earlier of (i) one year from the date hereof and (ii) the date the definitive Loan Documents are entered into by the Commitment Parties, at which time any confidentiality undertaking in the definitive Loan Documents shall supersede this provision.

8. **Absence of Fiduciary Relationship; Affiliates; Etc**.

As you know, each Commitment Party (together with their respective affiliates, the "**Banks**") is engaged, either directly or through its affiliates, in a broad array of activities. Although the Banks in the course of such other activities and relationships may acquire information about the transaction contemplated by this Commitment Letter or other entities and persons which may be the subject of the financing contemplated by this Commitment Letter, the Banks shall have no obligation to disclose such information, or the fact that the Banks are in possession of such information, to the Borrower or to use such information on the Borrower's behalf.

Consistent with the Banks' policies to hold in confidence the affairs of its customers, the Banks will not furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter to any of its other customers. Furthermore, you acknowledge the Banks have no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained or that may be obtained by them from any other person.

The Banks may have economic interests that conflict with those of the Borrower, its equity holders and/or its affiliates. You agree that the Banks will act under this Commitment Letter as independent contractors and that nothing in this Commitment Letter or the Fee Letter or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Banks and the Borrower, its equity holders or its affiliates. You acknowledge and agree that the transactions contemplated by this Commitment Letter and the Fee Letter (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Banks, on the one hand, and the Borrower, on the other, and in connection therewith and with the process leading thereto, (i) the Banks have not assumed (A) an advisory responsibility in favor of the Borrower, its equity holders or its affiliates with respect to the financing transactions contemplated hereby or (B) a fiduciary responsibility in favor of the Borrower, its equity holders or its affiliates with respect to the transactions contemplated hereby, or in each case, the exercise of rights or remedies with respect thereto or the process leading thereto (irrespective of whether the Banks have advised, are currently advising or will advise the Borrower, its equity holders or its affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (ii) the Banks are acting solely as principals and not as the agents or fiduciaries of the Borrower, its management, equity holders, affiliates, creditors or any other person. The Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that the Banks have rendered advisory services of any nature or respect with respect to the financing transactions contemplated hereby, or owe a fiduciary or similar duty to the Borrower, in connection with such transactions or the process leading thereto.

In addition, please note that the Commitment Parties do not provide accounting, tax or legal advice.

9. **Miscellaneous**.

The Commitment Parties' commitments and agreements hereunder will terminate upon the first to occur of (i) the consummation of the Acquisition, (ii) the abandonment or termination of the Acquisition Agreement (as defined in Annex B) and (iii) December 2, 2013, unless the closing of the Credit Facility, on the terms and subject to the conditions contained herein, has been consummated on or before such date (for the avoidance of doubt, it being understood and agreed that the consummation of the Acquisition shall not be a condition to the closing of the Credit Facility or the occurrence of the Closing Date, and shall only be a condition to the availability and use of up to $100,000,000 of the Credit Facility to fund the Acquisition on the Acquisition Date subject to the limited conditions set forth in the second paragraph of Section 2 of the Commitment Letter).

The provisions set forth under Sections 3, 4, 5 (including Annex A), 7 and 8 hereof and this Section 9 and the provisions of the Fee Letter will remain in full force and effect regardless of whether definitive Loan Documents are executed and delivered. The provisions set forth in the Fee Letter and under Sections 5 (including Annex A), 7 and 8 hereof and this Section 9 will remain in full force and effect notwithstanding the expiration or termination of this Commitment Letter or the Commitment Parties' commitments and agreements hereunder.

The Borrower, for itself and its affiliates, agrees that any suit or proceeding arising in respect of this Commitment Letter or the Commitment Parties' commitments or agreements hereunder or the Fee Letter will be tried exclusively in any Federal court of the United States of America sitting in the Borough of Manhattan or, if that court does not have subject matter jurisdiction, in any state court located in the City and County of New York, and the Borrower hereby submits to the exclusive jurisdiction of, and to venue in, such court. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either the Commitment Parties' commitments or agreements or any matter referred to in this Commitment Letter or the Fee Letter is hereby waived by the parties hereto. The Borrower, for itself and its affiliates, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail or overnight courier addressed to any of the parties hereto at the addresses above shall be effective service of process against such party for any suit, action or proceeding brought in any such court. This Commitment Letter and the Fee Letter will be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

The Commitment Parties hereby notify the Borrower and the Acquired Business that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), the Commitment Parties and each Lender Party may be required to obtain, verify and record information that identifies the Borrower and each of the Guarantors (as defined in Annex C), which information includes the name and address of the Borrower and each of the Guarantors and other information that will allow the Commitment Parties and each Lender Party to identify the Borrower and each of the Guarantors in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Commitment Parties and each Lender Party.

This Commitment Letter may be executed in any number of counterparts, each of which when executed will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or electronic transmission (in pdf format) will be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into among the parties hereto with respect to the Credit Facility and set forth the entire understanding of the parties with respect thereto and supersede any prior written or oral agreements among the parties hereto with respect to the Credit Facility.

Please confirm that the foregoing is in accordance with your understanding by signing and returning to the Commitment Parties the enclosed copy of this Commitment Letter, together, if not previously executed and delivered, with the Fee Letter, on or before the close of business on November 1, 2013, whereupon this Commitment Letter and the Fee Letter will become binding agreements between us. If this Commitment Letter and the Fee Letter have not been signed and returned as described in the preceding sentence by such date, this offer will terminate on such date. We look forward to working with you on this transaction.

Very truly yours,

AMERICAN AGCREDIT, FLCA
By:

Authorized Signatory

COBANK, ACB
By:

Authorized Signatory

FARM CREDIT SERVICES OF AMERICA, PCA
By:

Authorized Signatory

AGFIRST FARM CREDIT BANK
By:

Authorized Signatory

ACCEPTED AND AGREED AS OF
THE DATE FIRST ABOVE WRITTEN:

LOUISIANA-PACIFIC CORPORATION

By:

Name:

Title:

CHAR1

1332743v5

Annex A

*In the event that the Commitment Parties become involved in any capacity in any action, proceeding or investigation brought by or against any person, including shareholders, partners, members or other equity holders of the Borrower or the Acquired Business in connection with or as a result of either this arrangement or the Transactions (together, the "****Letters****"), the Borrower agrees to periodically reimburse the Commitment Parties for their reasonable and documented out-of-pocket legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith. The Borrower also agrees to indemnify and hold the Commitment Parties harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either this arrangement or the Transactions (whether or not such investigation, litigation, claim or proceeding is brought by you, your equity holders or creditors or an indemnified person and whether or not any such indemnified person is otherwise a party thereto), except to the extent that such loss, claim, damage or liability has been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of the Commitment Parties in performing the services that are the subject of the Letters or the material breach by the Commitment Parties of the Letters. In respect of any judgment or order given or made for any amount due under this Commitment Letter, the Fee Letter or the transactions contemplated hereby that is expressed and paid in a currency (the "****judgment currency****") other than United States dollars, the Borrower will indemnify the Commitment Parties against any loss incurred by the Commitment Parties as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the Commitment Parties are able to purchase United States dollars with the amount of the judgment currency actually received by the Commitment Parties at the time of such receipt. The foregoing indemnity shall constitute a separate and independent obligation of the Borrower and shall survive any termination of this Commitment Letter, the Fee Letter or the transactions contemplated hereby, and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars. If for any reason the foregoing indemnification is unavailable to the Commitment Parties or insufficient to hold them harmless, then the Borrower will contribute to the amount paid or payable by the Commitment Parties as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of (i) the Borrower and the Acquired Business and their respective affiliates, shareholders, partners, members or other equity holders on the one hand and (ii) the Commitment Parties on the other hand in the matters contemplated by the Letters as well as the relative fault of (i) the Borrower and the Acquired Business and their respective affiliates, shareholders, partners, members or other equity holders on the one hand and (ii) the Commitment Parties with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Borrower under this paragraph will be in addition to any liability which the Borrower may otherwise have, will extend upon the same terms and conditions to any affiliate of the Commitment Parties and the partners, members, directors, agents, employees and controlling persons (if any), as the case may be, of the Commitment Parties and any such affiliate, and will be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Borrower, the Commitment Parties any such affiliate and any such person. The Borrower also agrees that neither any indemnified party nor any of such affiliates, partners, members, directors, agents, employees or controlling persons will have any liability to the Borrower or any person asserting claims on behalf of or in right of the Borrower or any other person in connection with or as a result of either this arrangement or the Transactions, except to the extent that any losses, claims, damages, liabilities or expenses incurred by the Borrower or its affiliates, shareholders, partners or other equity holders have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such indemnified party in performing the services that are the subject of the Letters or from a material breach by such indemnified party of its obligations under the Letters;* provided, however, *that in no event will such indemnified party or such other parties have any liability for any indirect, consequential, special or punitive damages*

in connection with or as a result of such indemnified party's or such other parties' activities related to the Letters. ***The provisions of this <u>Annex A</u> will survive any termination or completion of the arrangement provided by the Letters.***

Annex B

Louisiana-Pacific Corporation

Transaction Description

Certain capitalized terms used but not defined herein are defined in the Commitment Letter.

The Borrower intends to acquire (the "**Acquisition**"), directly or indirectly, all of the issued and outstanding common shares of Ainsworth Lumber Company Ltd. ("**Ainsworth**" and, together with its subsidiaries, the "**Acquired Business**") and its subsidiaries pursuant to the Acquisition Agreement (as defined below).

In connection with the foregoing, it is intended (or, in the case of the Consent Solicitation referred to below, confirmed) that:

1. Pursuant to an arrangement agreement (including the exhibits and schedules thereto, the "**Acquisition Agreement**"), the Borrower will purchase all of the issued and outstanding equity common shares of Ainsworth. After giving effect to the Acquisition, the Borrower will directly or indirectly own all of the equity interests in Ainsworth.
2. The Borrower will obtain up to $200.0 million under a new senior secured revolving credit facility (the "**Credit Facility**") having the terms set forth on <u>Annex C</u>.
3. The Borrower and/or its subsidiaries have caused Ainsworth to obtain the consent of the holders of a majority in aggregate principal amount of Ainsworth's outstanding 7.5% Senior Secured Notes due 2017 (the "**Existing Target Notes**" and such holders, the "**Existing Holders**") to the execution of a supplemental indenture to the Indenture, dated as of November 27, 2012, among Ainsworth, the guarantors party thereto, The Bank of New York Mellon, as trustee and as U.S. collateral agent, and BNY Trust Company of Canada, as Canadian collateral agent (the "**Existing Indenture**") that eliminates any requirement of Ainsworth or any other person to make a "Change of Control Offer" (as defined in the Existing Indenture) in connection with the Acquisition (such consent solicitation is referred to herein as a "**Consent Solicitation**").
4. The proceeds of the Credit Facility, together with (a) cash on hand at the Borrower and/or its subsidiaries, (b) cash on hand at the Acquired Business and (c) common equity of the Borrower issued to shareholders (and option holders) of Ainsworth, will be applied (i) to finance all of the cash consideration required in the Acquisition, (ii) to pay the costs, fees and expenses incurred in connection with the Transactions (including any costs, fees and expenses associated with the Consent Solicitation) (such costs, fees and expenses, the "**Transaction Costs**") and (iii) to fund general working capital needs of the Borrower, its subsidiaries and the Acquired Business.

The transactions described above (including payment of the Transaction Costs) are collectively referred to herein as the "**Transactions**".

Annex C

Louisiana-Pacific Corporation

Summary of the Credit Facility

This Summary outlines certain terms of the Credit Facility referred to in the Commitment Letter, of which this <u>Annex C</u> is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

See attached.

Annex D

Louisiana-Pacific Corporation

Summary of Conditions Precedent to the Credit Facility

This Summary of Conditions Precedent outlines certain of the conditions precedent to the Credit Facility referred to in the Commitment Letter, of which this Annex D is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

1. Fees and Expenses. On the Closing Date, all costs, fees, expenses and other compensation contemplated by the Commitment Letter and the Fee Letter payable to the Lead Arrangers, the Administrative Agent or the Lender Parties shall have been paid to the extent due.
2. Customary Closing Documents. The Lead Arrangers shall be satisfied that the Borrower has complied with the following customary closing conditions: (i) the delivery of customary legal opinions, lien searches and officer's certificates; (ii) evidence of authority; (iii) perfection of liens and pledges with respect to the collateral securing the Credit Facility (solely in connection with the use of the Acquisition Sublimit to fund the Acquisition, subject to the second paragraph of Section 2 of the Commitment Letter); (iv) delivery of a solvency certificate from the chief financial officer of the Borrower in form and substance, and with supporting documentation, reasonably satisfactory to the Lead Arrangers, certifying that the Borrower and its subsidiaries are, on a consolidated basis, solvent; and (v) the delivery of a payoff and lien release letter from the administrative agent under the Borrower's existing asset-based credit facility. The Lead Arrangers will have received at least 5 days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act.
3. Accuracy of Representations and Warranties. Other than in connection with the use of the Acquisition Sublimit to fund the Acquisition, the representations and warranties set forth in the Loan Documents shall be true and correct in all material respects (without giving effect to any "double materiality").
4. Acquisition-Specific Conditions. Solely in connection with the availability and use of up to $100,000,000 of the Credit Facility to fund the Acquisition on the Acquisition Date:

   a. No Ainsworth Material Adverse Effect (x) There not having occurred, or having been disclosed to the public (if previously undisclosed to the public), since the date of the Commitment Letter, any Ainsworth Material Adverse Effect and (y) there not having occurred, since December 31, 2012 (the date of the most recent audited financial statements for the Acquired Business furnished by the Borrower to the Lead Arrangers), any event, occurrence or development or state of circumstances or facts which has had or would, individually or in the aggregate, reasonably be expected to have an Ainsworth Material Adverse Effect. "**Ainsworth Material Adverse Effect**" means any change, development, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, developments, effects, events, circumstances, facts or occurrences, (x) is or would reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of Ainsworth and its subsidiaries, taken as a whole, or (y) prevents or materially adversely affects the ability of Ainsworth to timely perform its obligations under the Acquisition Agreement (as defined in Exhibit B), except, any change, development, effect, event, circumstance, fact or occurrence resulting from or relating to: (i) the announcement of the execution of the Acquisition Agreement or the transactions contemplated thereby; (ii) general political, economic or financial conditions in Canada and the United States (provided that it does not have a materially disproportionate effect on Ainsworth relative to other companies in its industry); (iii) the state of securities or commodity markets in general (provided that it does not have a materially disproportionate effect on Ainsworth relative to other companies in its industry); (iv) the commencement or continuation of any war, armed hostilities or acts of terrorism; (v) the state of the oriented strand board industry in general (provided that such conditions do not have a materially disproportionate effect on Ainsworth relative to other companies in the oriented strand board industry); or (vi) any decrease in the trading price or any decline in the trading volume of the equity securities of Ainsworth (it being understood that the causes underlying such change in trading price or trading volume

(other than those in items (i) to (v) above) may be taken into account in determining whether an Ainsworth Material Adverse Effect has occurred).

b. Concurrent Transactions. The proceeds from borrowings made on the Acquisition Date pursuant to the Credit Facility, together with (a) cash on hand at the Borrower and/or its subsidiaries and (b) cash on hand at the Acquired Business will be sufficient (i) to finance all of the cash consideration required in the Acquisition and (ii) to pay the Transaction Costs. The terms of the Acquisition Agreement will be reasonably satisfactory to the Lead Arrangers (it being agreed that the Acquisition Agreement dated September 4, 2013 publicly filed by the Borrower with the Securities and Exchange Commission is reasonably satisfactory to the Lead Arrangers). The Acquisition shall have been consummated pursuant to the Acquisition Agreement, in each case without giving effect to any modifications, consents, amendments or waivers thereto that are materially adverse to the Lender Parties and the Lead Arrangers (it being understood that any amendment to Sections 9.3 (*Third Party Beneficiaries*), 9.6 (*Governing Law; Waiver of Jury Trial*) or 9.12 (*No Recourse*) (or the related definitions) of the Acquisition Agreement as in effect on the date hereof that is adverse to the Lender Parties and the Lead Arrangers). There will not exist (pro forma for the Acquisition and the financing thereof) any default or event of default under any indebtedness for borrowed money of the Borrower, Ainsworth or any of their respective subsidiaries with a principal balance in excess of $10.0 million.

c. Financial Statements. The Lead Arrangers shall have received (i) audited financial statements of each of the Borrower and the Acquired Business for each of the three fiscal years immediately preceding the Acquisition; (ii) as soon as internal financial statements are available to the Acquired Business and the Borrower, unaudited financial statements for any interim period or periods of the Borrower and the Acquired Business ended after the date of the most recent audited financial statements and more than 45 calendar days prior to the Acquisition Date; and (iii) customary pro forma financial statements giving effect to the Transactions.

d. Accuracy of Representations and Warranties. The Specified Acquisition Agreement Representations and the Specified Representations shall be true and correct in all material respects (without giving effect to any "double materiality").

Exhibit 10.2

Summary of Principal Terms and Conditions
$200,000,000 Senior Secured Credit Facility

BORROWER:	**LOUISIANA-PACIFIC CORPORATION, a Delaware corporation ("Borrower").**
GUARANTORS:	All present and future direct and indirect domestic Material Subsidiaries Capitalized terms not otherwise defined herein shall have the respective meanings set forth on Annex 1. of the Borrower (other than domestic Material Subsidiaries that are prohibited by law from guaranteeing the Credit Facility or that would experience adverse regulatory consequences as a result of providing the guarantee (so long as such subsidiary has not provided a guaranty of any other debt of the Borrower or another guarantor of the Credit Facility) and special purpose subsidiaries formed in connection with the Notes Payable Secured by Notes Receivable from Asset Sales), including, in any event, all subsidiaries of the Borrower that are guarantors of the Borrower's 7.5% senior notes due 2020.
ARRANGERS:	American AgCredit, FLCA, CoBank, ACB, AgFirst Farm Credit Bank and Farm Credit Services of America, PCA.
ADMINISTRATIVE AGENT:	American AgCredit, FLCA.
LENDERS:	American AgCredit, FLCA, Farm Credit Services of America, PCA and CoBank, ACB and, potentially, other Farm Credit System institutions (the "Lenders"). Farm Credit Services of America, PCA and, potentially, other Farm Credit System institutions will be Voting Participants (as defined below).
FACILITY:	A senior secured revolving credit facility (the "Credit Facility") in the aggregate principle amount of $200,000,0000 which will include a $60,000,000 sub-limit for the issuance of standby letters of credit issued by CoBank, ACB (each a "Letter of Credit"). The Credit Facility may be drawn to the maximum commitment amount, repaid, and redrawn.
PURPOSE:	The proceeds of the Credit Facility will be used for general corporate purpose needs of the Borrower, including to help fund the acquisition of all of the equity in Ainsworth Lumber Company Ltd. ("Ainsworth Acquisition") and related acquisition costs.
MATURITY DATE:	Five years from Closing.
VOLUNTARY PREPAYMENTS AND COMMITMENT REDUCTIONS	The Borrower may prepay amounts outstanding under the Credit Facility in whole or in part (in minimum amounts to be agreed upon) with prior notice but without premium or penalty (but subject to costs associated with breakfunding on LIBOR loans). Prepayments will include interest accrued to the prepayment date. The Borrower may reduce commitments under the Credit Facility upon advance notice and in minimum amounts to be agreed upon.
SECURITY:	The Credit Facility will be secured by liens on substantially all personal property of the Borrower and Guarantors, but will not be secured by liens on any real property interests. Such liens on the personal property of the Borrower and Guarantors shall be perfected via the filing of UCC-1 financing statements, but no fixture filings, control agreements or pledges of stock certificates will be required. The foregoing security shall ratably secure the relevant party's obligations in respect of the Credit Facility and any interest rate hedging arrangements entered into with a Lender or an affiliate of a Lender. No other liens on the assets of the Borrower and its subsidiaries will be permitted, except for certain existing liens and permitted liens to be mutually agreed upon.
CLOSING:	**The execution of definitive documentation to occur on or before December 2, 2013 (the "Closing Date").**

The Credit Facility will be subject to satisfaction of the conditions precedent referred to in the Commitment Letter, including those listed on Annex D attached to the Commitment Letter (other than those conditions that apply solely in connection with the use of up to $100,000,000 of the Credit Facility to fund the Acquisition).

CONDITIONS FOR CLOSING:	The Credit Facility will be subject to satisfaction of the conditions precedent referred to in the Commitment Letter, including those listed on Annex D attached to the Commitment Letter (other than those conditions that apply solely in connection with the use of up to $100,000,000 of the Credit Facility to fund the Acquisition).
CONDITIONS FOR ALL EXTENSIONS OF CREDIT:	Limited to the following: (i) all of the representations and warranties in the loan documentation shall be true and correct in all material respects as of the date of such extension of credit; and (ii) no event of default or unmatured event of default shall have occurred and be continuing, or would result from such extension of credit; <u>provided</u> that the only conditions to the use and availability of up to $100,000,000 of the Credit Facility to fund the Acquisition shall be those conditions set forth in <u>Annex D</u> attached to the Commitment Letter that are conditions to such use and availability.
INTEREST RATES:	The interest rate on the loans will be, at the option of the Borrower, (i) the Eurodollar Rate plus the applicable margin, or (ii) the Alternative Base Rate (ABR) plus the applicable margin. The applicable margins for Eurodollar Rate and ABR loans shall be as set forth in Annex 2. The Borrower may elect interest periods of 1, 2, 3, or 6 months for Eurodollar Rate borrowings. The Eurodollar Rate will at all times include statutory reserves. The Eurodollar Rate for any interest period will be determined by Administrative Agent by reference to the British Banker's Association Interest Settlement Rates for deposits in Dollars for a period equal to such Interest Period; provided that, if two or more such offered rates appear therein, the highest rate will apply; provided further, if an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the Eurodollar Rate shall be determined by Administrative Agent as the average of the rates per annum at which deposits in Dollars are offered for such Interest Period by major banks in the London interbank market. ABR will be the highest of (i) the prime rate (as published in the Wall Street Journal as the average prime lending rate for 70% of the nation's largest banks), (ii) the Federal Funds Effective Rate plus 0.50%, and (iii) the 1-month Eurodollar Rate plus 1.00%. Calculation of interest shall be on the basis of actual days elapsed and based a 360 day year for Eurodollar loans and a 365 day year for ABR loans. Interest shall be payable (a) quarterly for ABR loans and on the last day of the interest period for Eurodollar loans unless such interest period is greater than 3 months, then at the end of every 3 months, (b) upon conversion of such loans, and (c) upon payment of such loans. Upon any event of default, the Borrower is required to pay default interest at the applicable pre-default rate plus 2.0%.
PATRONAGE:	The Credit Facility will be eligible for patronage on the funded loan portion thereof held by the initial Lenders and all other Lenders that are Farm Credit banks that pay patronage, in each case in accordance with the applicable Lender's (or affiliate's) bylaws and capital plan, and patronage distributions in the event of a sale of a participation interest shall be governed by the applicable bylaws and capital plan of such participant. Each Lender reserves the right to sell participations on a non-patronage basis.

LETTER OF CREDIT FEES:	The Borrower will pay a Letter of Credit fee equal to (i) 0.50% per annum multiplied by the maximum stated amount of each Letter of Credit that is collateralized with 100% cash or cash equivalents deposited in an account controlled by CoBank, ACB or the Administrative Agent (via an arrangement acceptable to both CoBank, ACB and the Administrative Agent) and (ii) the applicable margin for Eurodollar Rate loans multiplied by the maximum stated amount of each Letter of Credit (other than cash collateralized Letters of Credit). The Letter of Credit fees will be payable quarterly in arrears. In addition, a fronting fee will be charged by the issuing Lender in an amount set forth in the Fee Letter. Customary drawing fees and amendment fees will be charged by the issuing Lender.
COMMITMENT FEE:	A commitment fee will be payable quarterly in arrears on the average daily unused portion of the commitments under the Credit Facility, at the applicable rate as shown in Annex 2, beginning upon Closing of the Credit Facility. Outstanding Letters of Credit shall be deemed usage of the Revolver.
REPRESENTANTIONS AND WARRANTIES:	Representations and warranties to be limited to the following and on terms usual and customary for transactions of this type: due organization; requisite power and authority; qualification; equity interests and ownership; due authorization, execution, delivery and enforceability of the loan documents; creation, perfection and priority of security interests (subject to the limitations on perfection set forth in the second paragraph of Section 2 of the Commitment Letter); no conflicts; governmental consents; historical and projected financial condition; no material adverse change; absence of material litigation; payment of taxes; title to properties; insurance; environmental matters; no defaults under material agreements; Investment Company Act and margin stock matters; ERISA and other employee matters; absence of brokers or finders fees; solvency of the Borrower and its subsidiaries taken as a whole; compliance with laws; status as first lien senior debt; full disclosure; and Patriot Act and other related matters.

AFFIRMATIVE COVENANTS:

Affirmative covenants to be limited to the following and on terms usual and customary for transactions of this type: maintenance of existence; payment of taxes and claims; maintenance of properties; maintenance of insurance; books and records; inspections; lender meetings; compliance with laws; environmental matters; additional collateral and guarantors; and further assurances, including, in each case, exceptions and baskets to be mutually agreed upon. In addition, in connection with the patronage distributions referred to above the Borrower shall purchase and maintain equity ownership in applicable Farm Credit System institutions as required by the Lenders and/or Voting Participants in accordance with such institutions' bylaws and capital plans.

Reporting requirements. Borrower will provide the following information to the Administrative Agent:

> Within ninety (90) days after the end of each fiscal year consolidated annual financial statements, which shall: (i) include a balance sheet, a statement of income, a statement of retained earnings, a statement of all cash flows and all notes and schedules relating thereto; (ii) be audited by an independent certified public accountant reasonably acceptable to Lenders; (iii) be accompanied by an opinion thereon of such accountants that such statements present fairly, in all material respects, the financial condition of the companies being reported upon;
>
> Within forty-five (45) days after the end of each fiscal quarter, consolidated financial statements which shall include a balance sheet, a statement of income, a statement of retained earnings, a statement of all cash flows and any notes and schedules relating thereto;
>
> Accompanying each delivery of financial statements, a certificate from an officer of the Borrower with respect to such financial statements, certifying compliance with the loan documentation and attaching calculations confirming Borrower's compliance with all financial covenants;
>
> Not later than forty-five (45) days after the beginning of each fiscal year, a quarterly budget for such fiscal year; and
>
> Notices of default, certain material matters and additional information as may be required from time to time by Lenders.

NEGATIVE COVENANTS:

Negative covenants to be limited to the following and on terms usual and customary for transactions of this type: (i) limitation on liens and indebtedness (with a carve out for (A) certain existing liens and indebtedness, including with respect to Ainsworth's 7.5% Senior Secured Notes due 2017 and (B) a secured Canadian revolving credit facility at a Canadian subsidiary in a maximum amount, and on terms, to be mutually agreed upon); (ii) limitations on mergers, consolidations and sales of assets; (iii) limitations on investments and acquisitions; (iv) limitations on restricted payments; (v) limitations on transactions with affiliates; (vi) limitation on changing the nature of the business; (vii) limitations on further negative pledges and on restrictions affecting subsidiaries; and (viii) limitation on use of proceeds.

FINANCIAL COVENANTS:

Financial covenants are as follows:

Maximum Capitalization Ratio:

> 40%

Minimum Unrestricted Cash/Cash Equivalents:

> $350,000,000 until closing of the Ainsworth Acquisition, reducing to $250,000,000 thereafter.

All financial terms and calculations shall be determined on a consolidated basis in accordance with GAAP unless otherwise agreed by the Borrower and the Lenders.

EVENTS OF DEFAULT:	The definitive loan documents will include events of default (and, as appropriate, exceptions, baskets and grace periods) limited to: failure to make payments when due, defaults under other material agreements or instruments of indebtedness, certain events under material hedging agreements, noncompliance with covenants, breaches of representations and warranties in any material respect, bankruptcy, judgments in excess of specified amounts, ERISA, impairment of security interests in a material portion of the collateral, invalidity of guarantees, and "change of control" (to be defined in a mutually agreed upon manner).
REQUIRED LENDERS:	Lenders and Voting Participants (as referred to below) holding (or having a beneficial interest in) commitments and loans representing more than 50% of the aggregate amount of commitments and loans under the Credit Facility.
VOTING PARTICIPANTS:	Any bank that is a member of the Farm Credit System and has purchased a participation in the minimum amount of $5,000,000 on or after the Closing Date shall be entitled to vote (and the corresponding voting rights of the selling Lender shall be correspondingly reduced) on a dollar for dollar basis as if such participant were a Lender, to the extent that such bank has been designated as a "Voting Participant" and such designation has been consented to by the Borrower and the Administrative Agent (to the extent such consent would have been required in connection with an assignment).
AMENDMENTS AND WAIVERS:	Amendments and waivers of the provisions of the loan agreement and other definitive credit documentation will require the approval of the Required Lenders, except that the consent of all affected Lenders will be required with respect to (i) increases in commitment or loan amounts, (ii) reductions of principal or interest and (iii) extensions of scheduled maturities. Certain class voting provisions also will apply.
ASSIGNMENTS AND PARTICIPATIONS	Assignments to entities other than Lenders or their affiliates shall be subject to Borrower consent (not to be unreasonably withheld or delayed) and, in each case other than an assignment to a Lender or an assignment of the entirety of a Lender's interest in the applicable Facility, in a minimum amount of not less than $5,000,000, provided that (a) any consent (if applicable) of the Borrower for an assignment shall not be required if an event of default has occurred and is continuing and (b) any such assignment shall require the consent of the Administrative Agent (not to be unreasonably withheld or delayed). Each Lender will also have the right, without consent of the Borrower or the Administrative Agent, to assign (i) as security all or part of its rights under the loan documentation to any Federal Reserve Bank and (ii) all or part of its rights or obligations under the loan documentation to any of its affiliates.
GOVERNING LAW:	New York
LEGAL COUNSEL:	Moore & Van Allen, PLLC
EXPENSES:	All reasonable and documented legal fees and out-of-pocket expenses incurred by the Arrangers will be paid by Borrower regardless of whether or not Closing occurs; provided that the legal fees shall be limited to those of Moore & Van Allen, PLLC and any special or local counsel required in connection with the transaction.
MISCELLANEOUS:	Standard yield protection (including compliance with risk based capital guidelines, increased costs, payments free and clear of withholding taxes and interest period breakage indemnities), and protection from loss of yield resulting from changes in reserve, imposition of or changes in withholding or other taxes, capital adequacy, liquidity, and other requirements of law (regardless of the date enacted, adopted, issued, or implemented), eurodollar illegality and similar provisions, defaulting lender provisions, indemnification, waiver of jury trial and submission to jurisdiction.

ANNEX 1

Definitions:

Capitalization Ratio means, as of any calculation date, the ratio of (a) Funded Indebtedness of the Borrower and its Subsidiaries as of such calculation date minus 90% of the Notes Payable Secured by Notes Receivable from Asset Sales as of such calculation date to (b) Total Capitalization of the Borrower and its Subsidiaries on a consolidated basis as of such calculation date. This ratio may be expressed as a percentage.

Consolidated Net Tangible Assets means, with respect to any person, the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any indebtedness for money borrowed having a maturity of less than 12 months from the date of the most recent consolidated balance sheet of such person but which by its terms is renewable or extendable beyond 12 months from such date at the option of the borrower) and (b) goodwill, trade names, patents, unamortized debt discount and expense and any other like intangibles, all as set forth in the most recent consolidated balance sheet of such person and compute in accordance with GAAP.

Consolidated Net Worth means, as of any date, (a) the total assets of the Borrower and its subsidiaries that would be reflected on the Borrower's consolidated balance sheet as of such date prepared in accordance with GAAP, after eliminating all amounts properly attributable to non-Subsidiary interests, if any, in the stock and surplus of subsidiaries, minus (b) the total liabilities of the Borrower and its subsidiaries that would be reflected on the Borrower's consolidated balance sheet as of such date prepared in accordance with GAAP.

EBITDA means, for any period, the sum of (a) Net Income for such period plus (b) an amount which, in the determination of Net Income for such period has been deducted for (i) Interest Charges for such period, (ii) without duplication, total Federal, state, foreign or other income taxes for such period, (iii) all depreciation expense for such period, (iv) all amortization expense for such period, (v) all other non-cash charges and (vi) expenses or charges related to any transaction or series of transactions constituting an equity offering, permitted investment, recapitalization, or incurrence of debt permitted by the definitive loan documents or relating to the Ainsworth Acquisition. All amounts other than the amounts described in clause (v) shall be determined in accordance with GAAP..

EBITDA/Interest Ratio means, as of any calculation date, the ratio of (a) EBITDA to (b) cash Interest Charges for the most recent four quarter period. For purposes of calculating this ratio, if EBITDA is negative then EBITDA shall be deemed to be $1.00 (one dollar).

Funded Indebtedness means, on a consolidated basis, without duplication, (i) all Indebtedness of such Person for borrowed money, (ii) all purchase money Indebtedness of such Person, including without limitation the principal portion of all obligations of such Person under capital leases, (iii) all guaranty obligations of such Person with respect to Indebtedness of another Person that otherwise constitutes Funded Indebtedness pursuant hereto, (iv) the maximum available amount of all Letters of Credit or acceptances issued or created for the account of such Person (except to the extent 100% cash collateralized), (v) all Indebtedness described in clauses (i) and (ii) above of another Person secured by a lien on any property of such Person, whether or not such Indebtedness has been assumed, with the amount of such indebtedness deemed to be the lesser of the fair market value of the property secured and the principal amount of the debt secured thereby, and (vi) the attributed principal amount under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product to which such Person is a party, where such transaction is considered borrowed money indebtedness for tax purposes in accordance with GAAP.

GAAP means the generally accepted accounting principles issued by the American Institute of Certified Public Accountants in effect in the United States at the time in question.

Interest Charge means, with respect to any period, the sum (without duplication) of the following (in each case eliminating all offsetting debits and credits between the Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Subsidiaries in accordance with GAAP): (a) all interest in respect of Indebtedness of the Borrower and its Subsidiaries (including imputed interest on capital lease obligations) deducted in determining Net Income for such period, and (b) all debt discount and expense amortized or required to be amortized in the determination of Net Income for such period.

Indebtedness means, with respect to any Person, without duplication, (i) all obligations for borrowed money, purchase money obligations, conditional sale or title retention obligations, or similar obligations of such Person as of the date on which Indebtedness is to be determined, (ii) all obligations secured by any Lien on, or payable out of the proceeds of production from, any property

or asset owned or held by such Person subject thereto, whether or not the indebtedness secured thereby shall have been assumed, with the amount of such indebtedness deemed to be the lesser of the fair market value of the property secured and the principal amount of the debt secured thereby, (iii) all indebtedness of others with respect to which such Person has become liable by way of a guarantee, (iv) all liabilities appearing on its balance sheet in accordance with GAAP in respect of capital lease obligations, and (v) any renewals and extensions thereof. Indebtedness shall not include any of the foregoing items to the extent such indebtedness has been legally defeased.

Material Subsidiary means any Subsidiary that holds Consolidated Net Tangible Assets equal to, or greater than, 10% of the Consolidated Net Tangible Assets of the Borrower and its Subsidiaries (in each case determined in accordance with GAAP) as of the end of the most recent fiscal quarter prior to the date of determination for which financial information in respect thereof is available.

Net Income or Net Loss means net income or loss, as the case may be, of the Borrower and its Subsidiaries on a consolidated basis as determined in accordance with GAAP before earnings and losses attributable to non-Subsidiary interests, excluding (i) any after tax gain or loss resulting from dispositions of assets outside of the ordinary course of business, (ii) extraordinary items, (iii) undistributed income from non-Subsidiary investments, and (iv) write-ups of assets, minus (v) the applicable Tax Distribution Amounts.

Notes Payable Secured by Notes Receivable from Asset Sales means, for any period, the sum of (i) the current portion and (ii) the long-term portion, of limited recourse notes payable due 2013-2018 and non-recourse notes payable due 2018 that are secured by notes receivable from timberland asset sales that occurred during 1997, 1998, and 2003.

Person means an individual, sole proprietorship, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Subsidiary means (a) any corporation, association, limited liability company, partnership, joint stock company, business trust, or other similar organization of which more than 50 percent of the ordinary voting power for the election of a majority of the members of the board of directors or other governing body of such entity is held or controlled by the Borrower; (b) any other such organization the management of which is directly or indirectly controlled by the Borrower through the exercise of voting power or otherwise; or (c) any joint venture or partnership in which the Borrower has more than 50 percent ownership interest.

Total Capitalization means the sum of (i) Consolidated Net Worth, and (ii) Funded Indebtedness of the Borrower and its Subsidiaries minus 90% of the Notes Payable Secured by Notes Receivable from Asset Sales.

ANNEX 2

PRICING / UNUSED COMMITMENT FEE GRID

EBITDA/Interest Ratio	Applicable Margin for Eurodollar Rate Loans	Applicable Margin for ABR Loans	Unused Commitment Fee
Pricing Level 1 More than 6.0x	1.75%	0.75%	0.3%
Pricing Level 2 More than 4.0x but less than or equal to 6.0x	2%	1%	0.35%
Pricing Level 3 More than 2.5x but less than or equal to 4.0x	2.375%	1.375%	0.4%
Pricing Level 4 More than 1.5x but less than or equal to 2.5x	2.75%	1.75%	0.5%
Pricing Level 5 Less than or equal to 1.5x	3.5%	2.5%	0.625%

In all cases in determining the applicable margin or the unused commitment fee, the applicable Pricing Level shall be based on the Borrower's EBITDA/Interest Ratio as set forth in the most recent Compliance Certificate. Upon closing of the Ainsworth Acquisition, the EBITDA/Interest Ratio will be calculated on a proforma basis to include the EBITDA and Interest Expense of Ainsworth over the prior four quarters. Any increase or decrease in the applicable Pricing Level resulting from a change in the EBITDA/Interest Ratio shall become effective as of the fifth Business Day immediately following the date a Compliance Certificate is delivered; provided, however, that (a) if a Compliance Certificate is not delivered when due, then Pricing Level 5 shall apply as of the fifth Business Day after the date on which such Compliance Certificate was required to have been delivered until the first Business Day immediately following the date such Compliance Certificate is delivered and (b) Pricing Level 1 shall be in effect from the Closing Date to the fifth Business Day immediately following the date a Compliance Certificate is delivered for the fiscal quarter ending December 31, 2013.

Exhibit 31.1

CERTIFICATION

I, Curtis M. Stevens, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2013

/s/ CURTIS M. STEVENS

CURTIS M. STEVENS
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Sallie B. Bailey, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2013

/S/ SALLIE B.BAILEY

SALLIE B. BAILEY
Chief Financial Officer

Exhibit 32.1

LOUISIANA-PACIFIC CORPORATION
411 Union Street, Suite 2000
Nashville, TN 37219-1700
(615)986-5600

November 5, 2013

Securities and Exchange Commission
100 F Street NE.
Washington, D.C. 20549

Re: Certification Pursuant to § 906 of the Sarbanes-Oxley Act of 2002

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the fiscal quarter and nine months ended September 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ CURTIS M. STEVENS

Name: CURTIS M. STEVENS
Title: Chief Executive Officer

/s/ SALLIE B. BAILEY

Name: SALLIE B. BAILEY
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.