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 June 30, 2005
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 ☒ No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No o

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 110,855,122 shares of Common Stock, $1 par value, outstanding as of August 6, 2005.

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.

<u>ABOUT FORWARD-LOOKING STATEMENTS</u>

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, completion of anticipated asset sales 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 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, including the effects of industry-wide increases in manufacturing capacity;
- 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, EURO and the Chilean peso;
- changes in general and industry-specific environmental laws and regulations;
- changes in circumstances giving rise to environmental liabilities or expenditures;

- the resolution of product-related litigation and other legal proceedings; and
- acts of God or public authorities, war, civil unrest, fire, floods, earthquakes 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.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS EXCEPT PER SHARE) (UNAUDITED)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net Sales	$ 692.0	$ 790.2	$ 1,353.4	$ 1,464.0
OPERATING COSTS AND EXPENSES				
Cost of sales	463.5	416.8	889.1	775.3
Depreciation, amortization and depletion	32.4	31.4	65.3	64.2
Selling and administrative	36.1	40.4	73.7	81.8
(Gain) loss on sale or impairment of long lived assets	(0.7)	0.2	(0.9)	13.0
Other operating credits and charges, net	1.4	2.4	1.1	9.1
Total operating costs and expenses	532.7	491.2	1,028.3	943.4
Income from operations	159.3	299.0	325.1	520.6
NON-OPERATING INCOME (EXPENSE)				
Foreign currency exchange (loss) gain	(1.4)	1.3	(2.0)	1.1
Loss on early extinguishment of debt	—	(1.2)	—	(41.3)
Interest expense, net of capitalized interest	(15.3)	(15.4)	(31.0)	(35.4)
Investment income	16.9	9.0	32.4	19.3
Total non-operating income (expense)	0.2	(6.3)	(0.6)	(56.3)
Income before taxes and equity in earnings of unconsolidated affliates	159.5	292.7	324.5	464.3
Provision for income taxes	55.2	105.4	115.5	168.0
Equity in (earnings) unconsolidated affliates	(0.1)	(0.8)	(0.8)	(1.3)
Income from continuing operations	104.4	188.1	209.8	297.6
DISCONTINUED OPERATIONS				
Income (loss) from discontinued operations	(6.6)	7.0	(12.6)	2.1
Income tax provision (benefit)	(2.5)	2.7	(4.8)	0.8
Income (loss) from discontinued operations	(4.1)	4.3	(7.8)	1.3
Net income	$ 100.3	$ 192.4	$ 202.0	$ 298.9
Net income per share of common stock (basic):				
Income from continuing operations	$ 0.94	$ 1.73	$ 1.90	$ 2.76
Income (loss) from discontinued operations	(0.04)	0.04	(0.07)	0.01
Net Income - per share basic	$ 0.90	$ 1.77	$ 1.83	$ 2.77
Net income per share of common stock (diluted):				
Income from continuing operations	$ 0.94	$ 1.71	$ 1.89	$ 2.72
Income (loss) from discontinued operations	(0.04)	0.04	(0.07)	0.01
Net Income - per share diluted	$ 0.90	$ 1.75	$ 1.82	$ 2.73
Average shares of stock outstanding - basic	110.9	109.0	110.5	107.9
Average shares of stock outstanding - diluted	111.5	110.2	111.3	109.3
Cash dividend per share	$ 0.125	$ 0.075	$ 0.225	$ 0.125

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)

	June 30, 2005	December 31, 2004
ASSETS		
Cash and cash equivalents	$ 656.5	$ 544.7
Short-term investments	635.4	608.2
Receivables, net	189.3	185.5
Inventories	218.5	203.5
Prepaid expenses and other current assets	17.3	15.9
Deferred income taxes	1.0	26.7
Current portion of notes receivable from asset sales	70.8	—
Current assets of discontinued operations	17.6	19.6
Total current assets	1,806.4	1,604.1
Timber and timberlands	95.6	97.7
Property, plant and equipment	1,762.8	1,758.6
Accumulated depreciation	(1,018.7)	(1,008.3)
Net property, plant and equipment	744.1	750.3
Goodwill	273.5	273.5
Notes receivable from asset sales	333.1	403.8
Long-term investments	35.3	30.2
Restricted cash	66.4	65.5
Investments in and advances to affliates	176.8	132.7
Other assets	49.2	37.6
Long-term assets of discontinued operations	27.1	55.2
Total assets	$ 3,607.5	$ 3,450.6
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 193.0	$ 178.0
Current portion of limited recourse notes payable	69.7	—
Accounts payable and accrued liabilities	218.3	250.0
Current portion of contingency reserves	12.0	12.0
Total current liabilities	493.0	440.0
Long-term debt, excluding current portion:		
Limited recourse notes payable	326.8	396.5
Other long-term debt	209.7	226.0
Total long-term debt, excluding current portion	536.5	622.5
Contingency reserves, excluding current portion	37.4	42.1
Other long-term liabilities	54.5	60.7
Deferred income taxes	528.6	517.5
Commitments and contingencies		
Stockholders’ equity:		
Common stock	116.9	116.9
Additional paid-in capital	438.7	440.0
Retained earnings	1,583.3	1,406.2
Treasury stock	(113.3)	(127.4)
Accumulated comprehensive loss	(68.1)	(67.9)
Total stockholders’ equity	1,957.5	1,767.8
Total liabilities and equity	$ 3,607.5	$ 3,450.6

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)

	Six Months Ended June 30,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 202.0	$ 298.9

Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and cost of timber harvested	66.4	67.0
Loss on sale or impairment of long-lived assets	2.0	20.6
Tax effect of exercise of stock options	3.5	—
Loss on early debt extinguishment	—	41.3
Exchange (gain) loss on remeasurement	6.3	(2.4)
Other operating charges and credits, net	0.5	2.7
Cash settlement of contingencies	(4.7)	(29.4)
Other adjustments, net	7.6	11.3
Pension payments	(12.0)	(33.0)
(Increase) decrease in receivables	5.6	(27.8)
Increase in inventories	(9.6)	(1.5)
Increase in prepaid expenses	(0.1)	(3.7)
Decrease in accounts payable and accrued liabilities	(50.9)	(20.7)
Increase in deferred income taxes	34.7	66.3
Net cash provided by operating activities	251.3	389.6
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment additions	(67.0)	(55.4)
Proceeds from asset sales	30.1	12.1
Investment in joint ventures	(52.1)	(6.7)
Proceeds of sales of investments	2,421.4	284.8
Cash paid for purchase of investments	(2,452.8)	(788.6)
Decrease (increase) in restricted cash under LOCs	(0.9)	29.3
Other investing activities, net	0.1	(0.5)
Net cash used in investing activities	(121.2)	(525.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	—	(246.4)
Sale of common stock under equity plans	8.7	29.6
Payment of cash dividends	(24.9)	(13.4)
Net cash used in financing activities	(16.2)	(230.2)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS:	(2.1)	—
Net increase (decrease) in cash and cash equivalents	111.8	(365.6)
Cash and cash equivalents at beginning of period	544.7	925.9
Cash and cash equivalents at end of period	$ 656.5	$ 560.3

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

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

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

	Common Stock		Paid in	Retained	Treasury Stock		Accumulated Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Earnings	Shares	Amount	Loss	Equity
Balance, December 31, 2004	116.9	$ 116.9	$ 440.0	$ 1,406.2	6.8	$ (127.4)	$ (67.9)	$ 1,767.8
Net income	—	—	—	202.0	—	—	—	202.0
Issuance of shares for employee stock plans and other purposes	—	—	(4.8)	—	(0.8)	14.1	—	9.3
Dividends	—	—	—	(24.9)	—	—	—	(24.9)
Tax effect of employee stock plan transactions	—	—	3.5	—	—	—	—	3.5
Other comprehensive loss	—	—	—	—	—	—	(0.2)	(0.2)
Balance, June 30, 2005	116.9	$ 116.9	$ 438.7	$ 1,583.3	6.0	$ (113.3)	$ (68.1)	$ 1,957.5

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Net Income	$ 100.3	$ 192.4	$ 202.0	$ 298.9
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	—	(1.7)	0.4	(1.7)
Unrealized gain (loss) on marketable securities	0.1	(0.1)	0.2	(0.2)
Unrealized gain (loss) on derivative instruments	0.5	(1.1)	(0.8)	0.2
Other comprehensive income (loss), net of tax	0.6	(2.9)	(0.2)	(1.7)
Comprehensive income, net of tax	$ 100.9	$ 189.5	$ 201.8	$ 297.2

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 and (gain) loss on sale or impairment of long-lived assets referred to in Notes 8 and 9 and certain charges recorded in discontinued operations discussed in Note 6) 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 condensed 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, 2004.

NOTE 2 - RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the current period presentation. LP has announced its intent to divest its vinyl operations. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” LP is required to account for the businesses anticipated to be sold within one year as discontinued operations. Accordingly, commencing with the quarter ended June 30, 2005, LP is classifying its vinyl operations as discontinued operations and has reclassified all periods presented in the same manner.

Additionally, in LP’s Consolidated Statement of Cash Flows for the six month period ended June 30, 2005, the classification of changes in restricted cash balances have been reclassified to present such changes as an investing activity. Previously these changes were presented as a financing activity. In the accompanying Consolidated Statement of Cash Flows for the six months ended June 30, 2004, changes in restricted cash balances were reclassified to be consistent with the 2005 presentation resulted in a $29.3 million increase to investing cash flows and a corresponding decrease to financing cash flows from the amounts previously reported.

Auction rate securities totaling $205 million as of June 30, 2004, which were previously reported in our consolidated balance sheets and consolidated statements of cash flows as cash equivalents, have been reclassified to short-term investments to conform to the presentation of auction rate securities as short-term investments as of December 31, 2004 and June 30, 2005. This reclassification had no impact on LP’s results of operations, total assets or changes in stockholders’ equity.

NOTE 3 – 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 which 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 (employee stock options and incentive shares) be excluded from the calculation of diluted earnings per share for the periods in which losses from continuing operations are reported because the effect is anti-dilutive. The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

Dollar and share amounts in millions, except per share amounts	**Quarter Ended June 30, 2005**	**Quarter Ended June 30, 2004**	**Six Months Ended June 30, 2005**	**Six Months Ended June 30, 2004**
Numerator:				
Income attributed to common shares:				
Income from continuing operations	$ 104.4	$ 188.1	$ 209.8	$ 297.6
Income (loss) from discontinued operations	(4.1)	4.3	(7.8)	1.3
Net income	$ 100.3	$ 192.4	$ 202.0	$ 298.9
Denominator:				
Basic - weighted average common shares outstanding	110.9	109.0	110.5	107.9
Dilutive effect of employee stock plans	0.6	1.2	0.8	1.4
Diluted shares outstanding	111.5	110.2	111.3	109.3

Basic earnings per share:				
Income from continuing operations	$ 0.94	$ 1.73	$ 1.90	$ 2.76
Income (loss) from discontinued operations	(0.04)	0.04	(0.07)	0.01
Net income per share	$ 0.90	$ 1.77	$ 1.83	$ 2.77
Diluted earnings per share:				
Income from continuing operations	$ 0.94	$ 1.71	$ 1.89	$ 2.72
Income (loss) from discontinued operations	(0.04)	0.04	(0.07)	0.01
Net income per share	$ 0.90	$ 1.75	$ 1.82	$ 2.73

Stock options to purchase approximately 0.3 million shares at June 30, 2005 and 0.2 million shares at June 30, 2004 were considered anti-dilutive or not in-the-money for purposes of LP's earnings per share calculation.

NOTE 4 – STOCK-BASED COMPENSATION

Stock options and other stock-based compensation awards are accounted for using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. See Note 14 of the Notes to the financial statements included in Item 8 of LP's Annual Report on Form 10-K for the year ended December 31, 2004 for further discussion of LP's stock plans. The following table illustrates the effect on net income per share as if LP had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

	Quarter Ended June 30,		Six Months Ended June 30,	
Dollars amounts in millions, except per share amounts	**2005**	**2004**	**2005**	**2004**
Net income, as reported	$ 100.3	$ 192.4	$ 202.0	$ 298.9
Add: Stock-based employee compensation included in reported net income, net of related income tax effects	0.3	0.8	0.6	2.1
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(0.6)	(1.6)	(1.3)	(3.7)
Pro forma net income	$ 100.0	$ 191.6	$ 201.3	$ 297.3
Net income per share—basic, as reported	$ 0.90	$ 1.77	$ 1.83	$ 2.77
Net income per share— diluted, as reported	$ 0.90	$ 1.75	$ 1.82	$ 2.73
Net income per share—basic, proforma	$ 0.90	$ 1.76	$ 1.82	$ 2.76
Net income per share— diluted, proforma	$ 0.90	$ 1.74	$ 1.81	$ 2.72

NOTE 5 – INVENTORIES

Inventories are valued at the lower of cost or market. Inventory cost includes materials, labor and operating overhead. The LIFO (last-in, first-out) method is used for certain log inventories with remaining inventories valued at FIFO (first-in, first-out) or average cost. The major types of inventories (excluding discontinued operations) are as follows (work in process is not material):

Dollar amounts in millions	**June 30, 2005**	**December 31, 2004**
Logs	$ 55.6	$ 59.0
Other raw materials	39.8	36.8
Finished products	117.8	102.6
Supplies	8.0	7.8
LIFO reserve	(2.7)	(2.7)
Total	$ 218.5	$ 203.5
Inventory included in current assets of discontinued operations		
Logs	$ —	$ 1.1
Other raw materials	3.3	3.4
Finished products	14.2	14.9
Supplies	0.1	0.2
Total	$ 17.6	$ 19.6

The preparation of interim financial statements requires the estimation of LP's year-end inventory quantities and costs for purposes of determining LIFO inventory adjustments. These estimates are revised quarterly and the estimated incremental change in the LIFO inventory reserve is recognized over the remainder of the year.

NOTE 6 – BUSINESSES HELD FOR SALE AND DIVESTITURES

In 2003, LP announced further divestures from its original 2002 plan to sell or close most of its remaining lumber mills as well as an interior hardboard panel operation. In 2004, LP announced that it intended to also sell its cedar lumber operation in British Columbia, Canada. LP subsequently announced in the first quarter of 2005 that it would permanently close this cedar facility. During the second quarter of 2005, LP announced that it intended to sell its vinyl operations. At June 30, 2005, LP had two vinyl plants classified as discontinued.

Sales and income (loss) for these businesses are as follows:

Dollar amounts in millions	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Sales	$ 44.6	$ 76.0	$ 82.7	$ 153.1
Income (loss) from discontinued operations, net of tax	$ (4.1)	$ 4.3	$ (7.8)	$ 1.3

Included in income (loss) from discontinued operations for the six months ended June 30, 2004 is income of $3.7 million associated with the liquidation of certain LIFO inventories due to reduced log inventories at sites to be sold or closed.

In the first quarter of 2004, LP recorded a loss of $6.7 million associated with impairment charges on assets held for sale. Additionally, LP recorded a loss of $2.1 million on the sale of a lumber facility in Montana; a loss of $0.2 million related to severance charges; and a loss of $0.4 million on a timber contract associated with previously sold or closed facilities.

In the second quarter of 2004, LP recorded a gain of $1.3 million associated with the settlement of a contingency regarding the sale of a lumber facility in Idaho.

In the first quarter of 2005, LP recorded a loss of $3.3 million related to severance charges associated with a cedar facility in British Columbia.

In the second quarter of 2005, LP recorded a gain of $1.6 million associated with the sale of a lumber facility in Michigan and a loss of $5.0 million associated with impairment charges on assets held for sale.

The assets of the discontinued operations included in the accompanying condensed consolidated balance sheets as of June 30, 2005 and December 31, 2004 are as follows:

Dollar amounts in millions	June 30, 2005	December 31, 2004
Inventories	$ 17.6	$ 19.6
Timber and timberlands	0.4	0.7
Property, plant and equipment	51.3	84.6
Accumulated depreciation	(24.6)	(33.2)
Net, property, plant and equipment	26.7	51.4
Goodwill	—	3.1
Total long-term assets of discontinued operations	27.1	55.2
Total assets of discontinued operations	$ 44.7	$ 74.8

NOTE 7 – INCOME TAXES

Accounting standards require that the estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) by income component for the year be applied to year-to-date income or loss at the end

of each quarter. In 2005, the primary difference between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to differences associated with non-taxable foreign currency exchange gains on certain intercompany debt that is denominated in Canadian dollars, recognition of the manufacturing deduction associated with the Jobs Creation Act of 2004, and a significant portion of income that will be taxable in foreign jurisdictions at lower tax rates. The components and associated estimated effective income tax rates applied to the six-month periods ended June 30 are as follows:

	Six Months Ended June 30, 2005		2004	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	$ 115.5	36%	$ 168.0	36%
Discontinued operations	(4.8)	38%	0.8	38%
	$ 110.7	35%	$ 168.8	36%

NOTE 8 - OTHER OPERATING CREDITS AND CHARGES, NET

The major components of “Other operating credits and charges, net” in the Condensed Consolidated Statements of Income for the quarter and six months ended June 30 are reflected in the table below and are described in the paragraphs following the table:

Dollar amounts in millions	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004

Change in environmental contingency reserves	$ —	$ —	$ —	$ 1.7
Charges associated with corporate relocation	(1.5)	(2.4)	(2.1)	(4.4)
Increase in litigation reserves	—	—	—	(6.0)
Loss related to assets and liabilities transferred under contractual arrangement	0.1	—	0.9	—
Other	—	—	0.1	(0.4)
	$ (1.4)	$ (2.4)	$ (1.1)	$ (9.1)

In the first quarter of 2004, LP recorded a gain of $1.7 million associated with a reduction in environmental reserves related to our former Alaska operations, a charge of $6.0 million for an increase in litigation reserves due to an adverse court ruling and a charge of $2.0 million associated with the relocation and consolidation of LP’s corporate offices to Nashville, Tennessee.

In the second quarter of 2004, LP recorded a charge of $2.4 million associated with the relocation and consolidation of LP’s corporate offices to Nashville, Tennessee.

In the first quarter of 2005, LP recorded a gain of $0.9 million associated with the recovery of a previous loss associated with the sale of the Samoa, California pulp mill and a charge of $0.6 million associated with the relocation and consolidation of LP’s corporate offices to Nashville, Tennessee.

In the second quarter of 2005, LP recorded a charge of $1.5 million associated with the relocation and consolidation of LP’s corporate offices to Nashville, Tennessee.

NOTE 9 – GAINS (LOSSES) ON SALE OR IMPAIRMENT OF LONG-LIVED ASSETS

The major components of “Gain (loss) on sale or impairment of long-lived assets” in the Condensed Consolidated Statements of Income for the quarter and six months ended June 30 are reflected in the table below and are

described in the paragraph following the table:

Dollar amounts in millions	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Loss on sale of long-lived assets	$ (0.5)	$ (0.2)	$ (0.3)	$ (0.1)
Impairment (charges) reversals on long-term assets	1.2	—	1.2	(12.9)
	$ 0.7	$ (0.2)	$ 0.9	$ (13.0)

In the first quarter of 2004, LP recorded a loss of $9.7 million on the cancellation of a capital project to build a veneer mill in British Columbia and $3.2 million for impairment of timber rights associated with a cedar mill in British Columbia, Canada to reduce the book value to the estimated realizable sales value.

In the second quarter of 2005, LP reversed $1.2 million of the impairment recorded in the first quarter of 2004 due to management’s decision to continue to retain and operate certain timber rights previously classified as discontinued operations.

NOTE 10 – LEGAL AND ENVIRONMENTAL MATTERS

The description of certain legal and environmental matters involving LP set forth in Part II of this report under the caption “Legal Proceedings” is incorporated herein by reference.

NOTE 11 – SELECTED SEGMENT DATA

LP operates in three segments: Oriented Strand Board (OSB); Siding; and Engineered Wood Products (EWP). LP’s business units have been aggregated into these three 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 our Annual Report on Form 10-K for the year ended December 31, 2004.

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	%	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	%
Net sales:						
OSB	$ 403.9	$ 535.9	(25)	$ 820.1	$ 992.5	(17)
Siding	125.2	113.8	10	220.6	211.2	4
Engineered Wood Products	120.5	103.6	16	229.8	183.0	26
Other	45.6	37.6	21	88.4	81.8	8
Less: Intersegment sales	(3.2)	(0.7)	—	(5.5)	(4.5)	—
	$ 692.0	$ 790.2	(12)	$ 1,353.4	$ 1,464.0	(8)
Operating profit (loss):						
OSB	$ 146.6	$ 309.1	(53)	$ 317.9	$ 562.7	(44)
Siding	16.4	16.4	0	23.4	27.7	(16)
Engineered Wood Products	12.1	0.7	1629	17.7	(0.2)	8950
Other	5.2	3.1	68	10.7	6.6	62
Other operating credits and charges, net	(1.4)	(2.4)	42	(1.1)	(9.1)	88
Gain (loss) on sales of and impairment of on long lived assets	0.7	(0.2)	450	0.9	(13.0)	107

General corporate and other expenses, net	(20.2)	(26.9)	25	(43.6)	(52.8)	17
Early extinguishment of debt	—	(1.2)	—	—	(41.3)	—
Foreign currency gains (losses)	(1.4)	1.3	(208)	(2.0)	1.1	(282)
Investment income (interest expense), net	1.6	(6.4)	125	1.4	(16.1)	109
Income from operations before taxes	159.6	293.5	(46)	325.3	465.6	(30)
Provision for income taxes	55.2	105.4	48	115.5	168.0	31
Income from continuing operations	$ 104.4	$ 188.1	(44)	$ 209.8	$ 297.6	(30)

NOTE 12 – 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 assets based upon the anticipated cash flows that result from estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. However, should the markets for the relevant products deteriorate to levels significantly below cycle average pricing or should LP decide to invest capital in alternative projects, it is possible that impairment charges will be required.

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.

LP's primary Canadian subsidiary has arrangements with the Canadian provincial governments which gives this subsidiary the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses. In early 2005, the Quebec government announced changes to the provincial timber license structure. These included a reduction in the harvesting rights for holders of certain long-term timber licenses. LP currently anticipates that these changes will not affect LP's timber licenses associated with our OSB facilities in Quebec; however, it may affect LP's timber allocations associated with its sawmill operations in Quebec. As of the date of this report, management was unable to predict what effects these changes will have on this operation.

NOTE 13 – CONTINGENCY RESERVES

LP is involved in various legal proceedings incidental to LP's business and is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which we operate. LP maintains reserves for these various contingencies as follows:

Dollar amounts in millions	June 30, 2005	December 31, 2004
Environmental reserves	$ 9.7	$ 11.4
Hardboard siding reserves	34.5	37.2
Other	5.2	5.5
Total contingency reserves	49.4	54.1
Current portion of contingency reserves	(12.0)	(12.0)
Long-term portion of contingency reserves	$ 37.4	$ 42.1

Hardboard Siding Reserves

LP has established reserves relating to certain liabilities associated with products manufactured that were the subject of a nationwide class action lawsuit. This settlement agreement relates to a nationwide class action suit involving hardboard siding manufactured or sold by corporations acquired by LP in 1999 and installed prior to May 15, 2000 and was approved by the applicable courts in 2000. This settlement is discussed in greater detail in the Notes to financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2004.

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 14 - EARLY DEBT EXTINGUISHMENT

During the first six months of 2004, LP repurchased $197.4 million of its publicly traded debt obligations ($193.6

million of the 10.875% Subordinated Notes and $3.8 million of the 8.5% Senior Notes). In connection with the repurchase, LP recorded a charge of $41 million to reflect the premiums paid and certain transaction costs.

NOTE 15 – DEFINED BENEFIT PENSION PLANS

The following table sets forth the net periodic pension cost for LP's defined benefit pension plans during the quarter and six months period ended June 30, 2005 and 2004. The net periodic pension cost included the following components:

	Quarter Ended June 30,		Six Months Ended June 30,	
Dollar amounts in millions	2005	2004	2005	2004
Sevice cost	$ 2.5	$ 1.7	$ 5.0	$ 4.1
Interest cost	3.7	2.6	7.4	5.8

Expected return on plan assets		(3.9)		(2.8)		(7.8)		(6.3)
Amortization of prior service cost and transition assets		0.2		0.2		0.4		0.4
Recognized net actuarial loss		1.4		1.1		2.8		2.5
Net periodic pension cost	$	3.9	$	2.8	$	7.8	$	6.5

Through June 30, 2005, LP recognized $7.8 million of pension expense for all of LP's defined benefit plans. We presently anticipate recognizing an additional $7.8 million of pension expense in the remainder of 2005 for a total of $15.6 million.

Through June 30, 2005, LP made $12 million of pension contributions for all of LP's defined benefit plans. LP presently anticipates contributing an additional $3 to $8 million to fund LP's defined benefit plans in the remainder of 2005 for a total of $15 to $20 million.

NOTE 16 - 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 20 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2004 for further discussion of LP's guarantees and indemnifications.

Additionally, LP provides warranties on product sales. The reserves for these warranties are determined by applying the provisions of SFAS No. 5, "Accounting for Contingencies." The activity in warranty reserves for the first six months of 2005 and 2004 are summarized in the following table:

Dollar amounts in millions		**June 30, 2005**		**June 30, 2004**
Beginning Balance, December 31,	$	22.2	$	21.0
Accrued to expense		2.9		3.3
Payments made		(3.1)		(4.9)
Balance, June 30		22.0		19.4
Current portion of warranty reserve		(7.0)		(7.0)
Long-term portion of warranty reserves	$	15.0	$	12.4

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 balance sheet.

NOTE 17 – POTENTIAL INSURANCE RECOVERY

LP filed suit in June, 2001, against one of ABT Co, Inc's insurers seeking indemnity, defense costs, and declaratory relief for claims arising out of a coverage dispute in the ABTco Hardboard Siding Settlement. On May 31, 2005, after trial by jury and post-trial motions filed by the insurer, the United States District Court for the Western District of North Carolina entered judgment in favor of LP, ordering that the insurer pay damages in the amount of $11.7 million ($3.9 million damages trebled under the applicable statute), plus $2.5 million representing the insurer's share of defense costs for the underlying hardboard siding suit, and that the insurer indemnify against 77.5% of any liability and a portion of the administrative costs associated with certain future claims that fall within the insurer's policy periods. On May 31, 2005, the judge also ordered the insurer to reimburse the Company $2 million for the costs in prosecuting this case. On June 29, 2005, the insurer filed a Notice of Appeal. LP has not recorded any gain in connection with this judgment as the matter remains on appeal and any such gain is contingent on prevailing in part or in whole at the appellate court.

NOTE 18 - RECENT AND PROSPECTIVE ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123R, "Share-Based Payment (Revised 2004)." This statement addresses the accounting for share-based payment transactions in which a company receives employee services in exchange for the company's equity instruments or liabilities that are based on the fair value of the company's equity securities or may be settled by the issuance of these securities. SFAS No. 123R eliminates the ability to account for share-based compensation using APB 25 and generally requires that such transactions be accounted for using a fair value method. The provisions of this statement are effective for financial statements issued for fiscal periods beginning after December 15, 2005 and will become effective for LP beginning with the first quarter of 2006. LP has yet to determine a transition method to adopt SFAS 123R or which valuation method to use. The full impact that the adoption of this statement will have on our financial position and results of operations will be determined by share-based payments granted in future periods, the transition method and valuation model used.

In March 2005, the FASB issued Interpretation FIN No. 47, Accounting for Conditional Asset Retirement Obligations — An Interpretation of FASB Statement No. 143" ("FIN 47"), which will result in more consistent recognition of liabilities relating to asset retirement obligations. FIN 47 clarifies that the term conditional asset retirement obligation as used in SFAS No.143, "Accounting for Asset Retirement Obligations" which refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Management is currently evaluating the impacts of this statement.

Item 2. Management's Discussion and Analysis

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, have a modest export business for some of our specialty building products and operate a facility in Chile.

To serve these markets, we operate in three segments: Oriented Strand Board (OSB), Siding, and Engineered Wood Products (EWP). OSB is the most significant segment, accounting for more than 60% of sales during the six month period ended June 30, 2005 and more than 65% of sales in the six months ended June 30, 2004.

During the six months ended June 30, 2005, compared to the comparable period of 2004, we saw continued increases in the cost of petroleum-based raw materials and wood throughout our businesses. In our non-commodity based businesses, we were able to implement price increases to partially mitigate these cost increases.

Our most significant product, 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 products will remain at current levels or increase or decrease in the future. During the first six months of 2005, commodity OSB prices moderated significantly compared to the same period in the prior year but nonetheless remained at cyclically high levels.

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, 2004.

CRITICAL ACCOUNTING POLICIES

LP’s significant accounting policies are discussed in Note 1 of Notes to financial statements included in LP’s Annual Report on Form 10-K for the year ended December 31, 2004. While it is important to review and understand all of these policies when reading our financial statements, there are several policies that we have adopted and implemented from among acceptable alternatives that could lead to different financial results had another policy been chosen:

Inventory valuation. We use the LIFO (last-in, first-out) method for some of our log inventories with the remaining inventories valued at FIFO (first-in, first-out) or average cost. Our inventories would have been approximately $2.7 million higher if the LIFO inventories were valued at average cost as of June 30, 2005.

Property, plant and equipment. We principally use the units of production method of depreciation for machinery and equipment. This method amortizes the cost of machinery and equipment over the estimated units that will be produced during its estimated useful life.

Stock options. We have chosen to report our stock based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” under which no compensation cost for stock options is recognized for stock options granted at or above fair market value. As permitted, we apply only the disclosure provisions of Statement of Financial Accounting Standards (SFAS) No. 123, “Accounting for Stock-Based Compensation” which establishes a fair value approach to measuring compensation expense related to employee stock compensation plans. Had compensation expense for our stock-based compensation plans been determined based upon the fair value at the grant dates under those plans consistent with SFAS No. 123, our net income would have been lower. For the six month period ended June 30, 2005, had we recorded this compensation expense, our net income would have been lower by $0.7 million. In the later portion of 2004, the FASB issued SFAS No. 123R, which will require us to use the fair value method beginning in 2006.

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 2005, these significant accounting estimates and judgments include:

Legal Contingencies. Our estimates of our 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, information obtained through consultation with statisticians and economists, including statistical analyses 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 our loss contingencies for environmental matters are also 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 June 30, 2005, we excluded from our estimates approximately $6 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. 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, on assets held and used, impairments are recognized when the book values exceed our estimate of the undiscounted future net cash flows associated with the affected assets. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. 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. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will continue to reduce product costs that will offset inflationary impacts.

When impairment is indicated, the book values of the assets to be held and used are written down to their estimated fair value that is generally based upon discounted future cash flows. Assets to be disposed of are written down to their estimated fair value, less estimated sales 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 June 30, 2005, we had established valuation allowances against certain deferred tax assets, primarily related to state net operating loss and credit carryovers and foreign capital loss carryovers. We have not established valuation allowances against other deferred tax assets based upon expected future taxable income and/or tax strategies planned to mitigate the risk of impairment of these assets. 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.

Goodwill. Goodwill and other intangible assets that are deemed to have an indefinite life are no longer amortized. However, these indefinite life assets are tested for impairment on an annual basis, and otherwise when indicators of impairment are determined to exist, by applying a fair value based test. The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgments at many points during the analysis. In testing for potential impairment, the estimated fair value of the reporting unit, as determined based upon cash flow forecasts, is compared to the book value of the reporting unit. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. 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. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will reduce product costs that will offset inflationary impacts.

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, if any, are subject to substantial uncertainties. Consequently, as additional information becomes known, we may change our estimates significantly.

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. See further discussion related to pension plans below under the heading “Defined Benefit Pension Plans” and in Note 13 of the Notes to the financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2004.

RESULTS OF OPERATIONS

Our net income for the second quarter of 2005 was $100 million, or $0.90 per diluted share, on sales of $692 million, compared to the second quarter of 2004 net income of $192 million, or $1.75 per diluted share, on sales of $790 million. For the second quarter of 2005, income from continuing operations was $104 million, or $0.94 per diluted share, compared to income from continuing operations of $188 million, or $1.71 per diluted share, for the second quarter of 2004.

Our net income for the six months ended June 30, 2005 was $202 million, or $1.82 per diluted share, on sales of $1.4 billion, compared to the six months ended June 30, 2004 net income of $299 million, or $2.73 per diluted share, on sales of $1.5 billion. For the six months ended June 30, 2005, income from continuing operations was $210 million, or $1.89 per diluted share, compared to income from continuing operations of $298 million, or $2.72 per

diluted share, for the six months ended June 30, 2004. For the comparable six-month period of 2004 results included charges primarily for the early extinguishment of debt, impairments of long-lived assets, litigation and other operating charges and credits totaling $63.4 million.

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, profits and depreciation, amortization and cost of timber harvested for this segment are as follows:

	Quarter Ended June 30,			Six Months Ended June 30		
	2005	2004	Change	2005	2004	Change
Net sales	$ 404	$ 536	-25%	$ 820	$ 993	-17%
Operating profits	$ 147	$ 309	-53%	$ 318	$ 563	-44%
Depreciation, amortization and cost of timber harvested	$ 22	$ 20		$ 44	$ 42	

Percent changes in average sales prices and unit shipments for the quarter and six months ended June 30, 2005 compared to the quarter and six months ended June 30, 2004 are as follows:

	Quarter Ended June 30, 2005 versus 2004		Six Months Ended June 30, 2005 versus 2004	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Commodity OSB	(27)%	3%	(19)%	3%

OSB prices declined for the second quarter and the first six months of 2005 as compared to the corresponding periods of 2004 due to better balance between supply and demand. The reduction in selling price accounted for a decrease in net sales and operating profits of approximately $142 million for the quarter and $193 million for the first six months.

Compared to the second quarter and first six months of 2004, the primary factor, along with the reduced sales price, for decreased operating profits was the significant increase in petroleum based raw materials and wood fiber. Compared to the same periods in 2004, resin costs per unit increased over 40% and wood fiber cost per unit over 15%. Additionally, a significant portion of our OSB costs are denominated in Canadian dollars. The Canadian dollar has strengthened significantly since the first half of 2004 which causes our cost stated in U.S. dollars to increase.

SIDING

Our siding segment produces and markets wood-based siding and related accessories, interior hardboard products and specialty OSB products.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment are as follows:

	Quarter Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
Net sales	$ 125	$ 114	10%	$ 221	$ 211	4%
Operating profits	$ 16	$ 16	0%	$ 24	$ 28	-14%
Depreciation, amortization and cost of timber harvested	$ 4	$ 4		$ 8	$ 8	

Sales in this segment are broken down as follows:

	Quarter Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
OSB-based exterior products(1)	$ 80	$ 67	19%	$ 135	$ 126	7%
Hardboard products	45	47	-3%	86	85	1%
Total	$ 125	$ 114	10%	$ 221	$ 211	5%

(1) Includes commodity OSB

Percent changes in average sales prices and unit shipments for the quarter and six month period ended June 30, 2005 compared to the quarter and six month period ended June 30, 2004 are as follows:

	Quarter Ended June 30, 2005 versus 2004		Six Months Ended June 30, 2005 versus 2004	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB-based exterior products	4%	6%	4%	(4)%
Commodity OSB	(31)%	500%	(21)%	150%
Hardboard products	24%	(22)%	20%	(17)%

For the second quarter of 2005, sales volumes for OSB-based exterior products increased from the second quarter for 2004 due to lower shipments in the first quarter of 2005 as the market absorbed excess inventory built in the fourth quarter of 2004 and began reordering. For the six-month period ended June 30, 2005 as compared to the same period in the prior year, shipments were slightly down due to the fourth quarter 2004 inventory build in the channel, which slowed sales volume in the first quarter of 2005. For both the second quarter as well as the six-month period ended June 30, 2005 as compared to the same periods in the prior year, sales prices are higher due to a price increase, which took effect on January 1, 2005, to offset increases in raw material costs.

In our hardboard product line, for both the second quarter as well as the six-month period ended June 30, 2005, sales volume declined and sales prices increased due to a change in product mix as we shifted production capacity to siding products and away from industrial hardboard products. This change in mix also caused our average sales price to increase as our siding products are sold at higher prices than industrial products.

Overall, for the second quarter of 2005 compared to the same period in the prior year, results in our siding segment were flat. This was primarily due to increases in the profitability of the hardboard business offset by reductions in OSB-based exterior products due to higher raw material costs. For the first six months of 2005 compared to the same period in the prior year, operating profits declined primarily due to reduced sales volumes in our OSB-based exterior products, poor operating performance at an OSB-based exterior product plant and increased costs for wood, energy and resin. These declines were partially offset by increased sales prices.

ENGINEERED WOOD PRODUCTS

Our engineered wood products segment manufactures and distributes engineered wood products (EWP), including laminated veneer lumber (LVL), I-Joists and other related products.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment are as follows:

	Quarter Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
Net sales	$ 121	$ 104	16%	$ 230	$ 183	26%
Operating profits	$ 12	$ 1	1629%	$ 18	$ (0)	—
Depreciation, amortization and cost of timber harvested	$ 3	$ 4		$ 7	$ 8	

Sales in this segment are broken down as follows:

	Quarter Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
LVL	$ 54	$ 42	29%	$ 102	$ 75	36%
I-Joist	57	48	19%	103	80	29%
Other	10	14	-29%	25	28	-11%
Total	$ 121	$ 104	16%	$ 230	$ 183	26%

Percent changes in average sales prices and unit shipments for the quarter and six months ended June 30, 2005 compared to the quarter and six months ended June 30, 2004 are as follows:

	Quarter Ended June 30, 2005 versus 2004		Six Months Ended June 30, 2005 versus 2004	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
LVL	25%	3%	23%	10%
I-Joist	15%	4%	16%	12%

During the second quarter and first six months of 2005, we continued to grow our EWP segment. We saw growth in both LVL and I-Joist sales due to expanded presence with large production builders. During 2004, we implemented several price increases to offset higher raw material costs.

The results of operations of our EWP segment improved for both the second quarter and the six-month period ended June 30, 2005 primarily due to increased sales prices which were partially offset by increases in raw material costs (primarily veneer and lumber) as well as the impact of the strengthened Canadian dollar on our costs as stated in U.S. dollars.

OTHER PRODUCTS

Our other products category includes our moulding, composite decking business and Chilean operations, which are not individually material. Additionally, this category includes timber and timberlands not associated with other segments or businesses to be divested, pulp and other minor products and services and other operations closed prior to January 1, 2002. Mills that were closed prior to January 1, 2002 related to our divested businesses are included in the “Other Products” category.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this category are as follows:

	Quarter Ended June 30,			Six Months Ended June 30,		
	2005	2004	Change	2005	2004	Change
Net sales	$ 46	$ 38	20%	$ 88	$ 82	7%
Operating profits	$ 5	$ 3	67%	$ 11	$ 7	57%
Depreciation, amortization and cost of timber harvested	$ 2	$ 2		$ 4	$ 3	

Sales in this segment are broken down as follows:

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Change	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	Change
Decking	$ 20	$ 17	18%	$ 41	$ 36	14%
Moulding	12	9	33%	23	20	15%
Chile	7	5	40%	16	12	33%
Other	7	7	0%	8	14	-43%
Total	$ 46	$ 38	21%	$ 88	$ 82	7%

Percent changes in average sales prices and unit shipments for the quarter and six-month period ended June 30, 2005 compared to the quarter and six-month period ended June 30, 2004 are as follows:

	Quarter Ended June 30, 2005 versus 2004		Six Months Ended June 30, 2005 versus 2004	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Decking	6%	14%	8%	2%
Moulding	10%	13%	10%	4%

During both the second quarter and first six months of 2005 as compared to the same periods in the prior year, we saw increases in both sales volumes and prices for our moulding and decking businesses. The price increases were announced to offset higher raw material costs, principally resin. In our Chilean operation, we continued to see higher sales due to both increases in commodity OSB pricing as well as volumes based on acceptance of OSB in the local markets. The decline in our other businesses is primarily due to the reduction in sales attributed to the divestiture of most of our lumber facilities. Additionally, sales of logs to third parties from our timberlands or related timber contracts declined significantly. Overall, the results of this category improved due to the improved sales prices and volumes in our moulding and decking businesses and Chilean operations.

GENERAL CORPORATE AND OTHER EXPENSE, NET

For the second quarter of 2005 as compared to the same period in the prior year, general corporate expenses declined by 25% and for the six-month period ended June 30, 2005 as compared to the same period in the prior year, general corporate expenses declined by 17%. 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 decline in the second quarter and the first six months of 2005 primarily resulted from several one time charges recorded in the first six months of 2004 related to stock compensation accruals that were not required in the first six months of 2005 and several non-recurring credits received in 2005.

INTEREST EXPENSE AND INVESTMENT INCOME

Interest expense in both the second quarter and first six months of 2005 was significantly lower than the comparable periods in 2004 due to lower interest rates on variable debt and a lower average amount of debt outstanding. Investment income in the second quarter and first six months of 2005 was higher than the comparable periods in 2004 due to the significantly higher cash and cash equivalent and investment balances and higher investment rates. Capitalized interest for the first six months of 2005 was $0.8 million as compared to $1.9 million in the comparable period in 2004.

DISCONTINUED OPERATIONS

Included in discontinued operations for the second quarter and first six months of 2005 and 2004 are the results of

the operations of mills that have been or are to be divested under our divesture plan. For the first six months of 2005, these operations included two lumber mills and our vinyl operations. For the first six months of 2004, these operations include three lumber mills, our vinyl operations and an interior hardboard operation.

Included in the operating losses of discontinued operations for the first quarter of 2005 is a charge of $3.3 million associated with employee severance costs associated with the cedar lumber mill for which we announced the permanent closure during the quarter. Included in the operating losses of discontinued operations for the second quarter of 2005 are: a charge of $0.8 million for employee severance costs associated with a sold lumber facility; a $5 million impairment charge on assets held for sale; and a gain of $1.6 million on the sale of a lumber facility in Michigan.

Included in the operating losses of discontinued operations for the first quarter of 2004 are: a charge of $6.7 million to reduce the book value associated with assets held for sale to the estimated sales price; a charge of $2.1 million on the sale of a lumber facility in Idaho; and a charge of $0.4 million on long-term timber contracts associated with previously closed or sold facilities. Included in the operating losses of discontinued operations for the second quarter of 2005 is a gain of $1.3 million associated with the settlement of a contingency regarding a lumber facility in Idaho. Additionally, during the first six months of 2004 we recognized $3.7 million in income associated with the liquidation of certain LIFO inventories due to the reduced log inventories at sites to be sold or closed.

INCOME TAXES

Income before taxes for the quarter and six month period ended June 30, 2005 and 2004 were as follows:

	Quarter Ended June 30, 2005	Quarter Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Continuing operations	$ 159.6	$ 293.5	$ 325.3	$ 465.6
Discontinued operations	(6.6)	7.0	(12.6)	2.1
	153.0	300.5	312.7	467.7
Total tax provision	52.7	108.1	110.7	168.8
Net income	$ 100.3	$ 192.4	$ 202.0	$ 298.9

Accounting standards require that the estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) by income component for the year be applied to year-to-date income or loss at the end of each quarter. For 2005, the primary difference between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to differences associated with non-taxable foreign currency exchange gains on certain intercompany debt that is denominated in Canadian dollars, recognition of the manufacturing deduction associated with the Jobs Creation Act of 2004, and a significant portion of income that will be taxable in foreign jurisdictions at lower tax rates. The components and associated estimated effective income tax rates applied to the six-month period ended June 30, 2005 and 2004 are as follows:

	Six Months Ended June 30,			
	2005		2004	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	$ 115.5	36%	$ 168.0	36%
Discontinued operations	(4.8)	38%	0.8	38%
	$ 110.7	35%	$ 168.8	36%

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. We account for all of these plans and provide aggregated disclosures about these plans in the Notes to our financial statements as required by SFAS No. 87 "Employers' Accounting for Pensions", SFAS No. 88 "Employers' Accounting for Settlement and Curtailments of Defined Benefit Plans and for Termination Benefits" and SFAS No. 132 "Employers' Disclosures about Pensions and Other Post Retirement

Benefits (revised 2003)." See Note 13 of the Notes to financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2004. We estimate that our defined benefit pension expense for 2005 will be approximately $16 million. That estimate assumes that we have no curtailment or settlement expenses in 2005. If a curtailment or settlement does occur in 2005, this estimate may change significantly. We estimate that we will contribute approximately $15 to $20 million to these plans in 2005. As of June 30, 2005, we had contributed approximately $12 million to these plans. At December 31, 2004, we had an unrecognized loss of $93 million associated with our defined benefit pension plan. The amortization of this unrecognized loss will account for approximately 48% of our 2005 pension expense.

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, 2004, Note 18 to the Notes to the financial statements contained therein and Item 1, Legal Proceedings, in Part II of this report.

HARDBOARD SIDING LITIGATION UPDATE

The following discussion updates should be read in conjunction with the discussion of our hardboard siding litigation set forth in Note 18 of the Notes to financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2004.

Cumulative statistics under hardboard settlements are as follows:

	June 30, 2005	March 31, 2005	December 31, 2004
Requests for claims	42,700	41,200	39,300
Completed claims received	28,500	27,000	25,200
Completed claims pending	2,600	2,700	2,200
Claims dismissed	8,300	7,900	7,700
Claims settled	17,600	16,400	15,300

The average payment amount for settled claims as of June 30, 2005, March 31, 2005 and December 31, 2004 was essentially unchanged at $1,300. Dismissal of claims is typically the result of claims for product not produced by LP or predecessor companies or claims that lack sufficient information or documentation after repeated efforts to correct those deficiencies.

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 or debt 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, making capital expenditures and paying dividends to our stockholders. 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 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 six months of 2005, we generated $251 million of cash from operating activities compared to $390 million in the first six months of 2004. The reduction in cash provided by operations in the first six months of 2005 was primarily a result of lower income from our OSB and siding businesses and additional cash used for working capital purposes compared to same period of 2004.

Additionally, we paid out $5 million in the first six months of 2005 as compared to $29 million in the same period of 2004 related to litigation settlements.

INVESTING ACTIVITIES

During the first six months of 2005, we used approximately $120 million in investing activities. Capital expenditures in the first six months were $67 million and were primarily invested in capital projects to reduce production costs in our OSB facilities as well as increase capacity in our decking operations. Additionally, we contributed $52 million to our joint ventures with Canfor Corporation to continue building an OSB facility in British Columbia, Canada and Abitibi - Consolidated for the construction of a second I-Joist facility in Quebec, Canada. We also used approximately $2.45 billion to purchase investments with maturities in excess of 90 days to increase the returns on our investments and received $2.42 billion on the sale of these types of investments.

During the first six months of 2004, we used approximately $525 million in cash in investing activities. Capital expenditures for property, plant and equipment in the first six months of 2004 were $55 million, and related primarily to capital projects to reduce production costs and increase capacity in certain OSB facilities, purchase a research and development facility and expand decking production capacities. We used approximately $789 million to purchase investments with maturities in excess of 90 days to increase the returns on our investments and received $285 million on the sale of these types of investments. Capital expenditures for 2005 are expected to be about $180 million for projects to reduce our energy, raw materials and resin costs in our current OSB mills and for expansion projects in our decking and siding operations. We expect to invest $60 million in our joint venture projects. Additionally, during the first six months of 2004, we reduced our restricted cash which was collateralizing outstanding letters of credit by $29 million due to a litigation settlement.

FINANCING ACTIVITIES

In the first six months of 2005, net cash used in financing activities was $16 million as compared to $230 million in the first six months of 2004. In the first six months of 2005, we generated $9 million in proceeds from the sale of common stock under our various equity compensation plans and paid cash dividends of $25 million.

In the first six months of 2004, we repaid $246 million of our long-term debt. These payments included a premium on the early extinguishment of the senior and subordinated notes of approximately $41 million. We generated $30 million in proceeds from the sale of common stock under our various equity compensation plans and paid a cash dividend of $13 million.

CREDIT FACILITIES

We have a revolving line of credit, which will expire in September 2009, which provides for committed borrowing capacity of $150 million. Subject to the willingness of existing or new lenders under the credit facility to advance additional funds, we may increase our borrowing capacity under the facility up to an additional $100 million. The facility allows us to cash collateralize the facility, at our option, in order to lower the cost of such borrowings. If cash collateralized, this facility requires LP to pledge, as security for its reimbursement obligations under the facility, cash collateral in an amount equal to 105% of the face amount of the letters of credit outstanding under the facility at any time. At June 30, 2005, we had no borrowings outstanding under the facility. Letters of credit, which reduce our borrowing capacity, issued and outstanding totaled approximately $60 million as of June 30, 2005 and were cash collaterialized with $63 million.

We also have a $10 million (Canadian) line of credit facility in Canada. Our ability to obtain letters of credit under this facility ends in December 2005. The facility allows us to cash collateralize the facility, at our option, in order to lower the cost of such borrowings. If cash collateralized, this facility requires LP to pledge, as security for its reimbursement obligations under the facility, cash collateral in an amount equal to 105% of the face amount of the

letters of credit outstanding under the facility at any time. Letters of credit issued and outstanding totaled approximately $3 million as of June 30, 2005 and were cash collateralized with $3.3 million.

Additionally, we have an accounts receivable securitization facility which will expire in November 2007. The facility provides for maximum borrowings of up to of $100 million. The maximum available to be borrowed under this facility changes based upon the amount of eligible receivables, as defined, concentration of eligible receivables and other factors. Additionally, the facility contains a provision under which specified downgrades of our long-term unsecured senior debt rating could cause an amortization event under this facility. At June 30, 2005, we had no borrowings outstanding under this facility.

The following details our current debt ratings as of August 1, 2005:

	Moody's Investor Service	**Standard & Poor's**
Senior Notes	Baa3	BBB-

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. However, should the markets for our products deteriorate to levels significantly below cycle average pricing or should we decide to invest capital in alternative projects, it is possible that we will be required to record further impairment charges.

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.

Our Canadian subsidiary has arrangements with the Canadian provincial governments which gives this subsidiary the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses. In early 2005, the Quebec government announced changes to the provincial timber license structure. These included a reduction in the harvesting rights for holders of certain long-term timber licenses. We do not believe these changes will have a significant impact on the timber licenses associated with our OSB facilities in Quebec; however, it may adversely affect our timber allocations associated with our sawmill operations in Quebec. At this point, we are unable to predict what effects these changes will have on this sawmill operation.

OUTLOOK: ISSUES AND UNCERTAINTIES

While management is optimistic about our long-term prospects, the following issues and uncertainties should be considered in evaluating our Company.

Cyclical industry conditions and commodity pricing have and may continue to adversely affect our financial conditions and results of operations. Our operating results reflect the general cyclical pattern of the building products industry. 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. 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 61% of our sales in 2004 and 59% in 2003 and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. Additionally, OSB commodity prices reached record highs during the second quarter of 2004, but fluctuated significantly thereafter. Concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. We cannot assure you that pricing for OSB or our other products will not decline from current levels.

Increased industry production capacity for OSB could constrain our operating margins for the foreseeable future. According to Resource Information Systems, Inc. (RISI), an industry market research organization, total North American OSB annual production capacity increased by about 5 billion square feet from 1998 to 2003 on a 3/8-inch equivalent basis and is projected to increase by approximately 7 billion square feet in the 2005 to 2009 period. RISI has projected that total North American demand for OSB will increase by about 4 billion square feet during the same 2005 to 2009 period. If increases in OSB production capacity exceed increases in OSB demand, OSB could have constrained operating margins in the foreseeable future.

Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and from sustaining 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 increases in raw material costs. The most significant raw material used in our operations is wood fiber. We currently obtain about 70% 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. 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 of raw materials used to produce resins, primarily petroleum products, as well as demand for 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 flow.

Our operations require substantial capital and our capital resources may not be adequate to provide for all of our cash requirements. 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. Based on our current operations, we believe our cash flow from operations and other capital resources will be adequate to meet our operating needs, capital expenditures and other cash requirements for the foreseeable future. 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 flow.

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, remediation of hazardous substances or other contaminants and, in the past, 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 and 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 will be involved in a number of environmental matters and legal proceedings, including legal proceedings involving warranty or non-warranty product liability claims. These 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 of 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 reserved for known estimated tax exposures. We maintain reserves for known estimated tax exposures in federal, state and international jurisdictions. Significant income tax exposures may include potential challenges to intercompany pricing, the treatment of financing, acquisition and disposition transactions, the use of hybrid entities, and the use of the installment sale method of accounting for tax purposes 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 appropriate liabilities established for known estimated exposures, however, if actual results differ materially from our estimates we could experience a material adverse affect on our financial condition, results of operation and cash flow.

Fluctuations in foreign currency exchange rates could result in currency exchange losses .A significant portion of the Company’s operations are conducted through foreign subsidiaries. The functional currency for the Company’s Canadian subsidiary is the U.S. dollar. The financial statements of this foreign subsidiary is remeasured into U.S. dollars using the historical exchange rate for property, plant and equipment, timber and timberlands, goodwill, equity and certain other non-monetary assets and liabilities and related depreciation and amortization on these assets and liabilities. These transaction 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. 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, a strengthening of the Canadian dollar or the Chilean Peso relative to the U.S. dollar may have a material adverse affect on our financial condition and results of operations.

Changes in foreign currency exchange rates could result in a greater than expected tax expense. We have

intercompany debt between our U.S. and Canadian subsidiary which is denominated in Canadian dollars. Because this debt is denominated in Canadian dollars, it is subject to translation gains and losses in terms of U.S. dollars. While the gains and losses due to translation are eliminated in consolidation for financial reporting purposes, the tax effect is not because the translation of the Canadian balance into U.S. dollars occurs outside of the tax reporting entities and therefore creates a tax difference. If exchange rates increase in the future, it could result in our tax expense being higher than expected.

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. Based upon our indebtedness at June 30, 2005, a 100 basis point interest rate change would impact the pre-tax net income and cash flow by $0.5 million annually.

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar. Although we have entered into foreign exchange contracts in the past to manage a portion of the foreign currency rate risk associated with certain of our indebtedness, 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.

As of June 30, 2005, we had $1.0 (Canadian) billion in intercompany debt between our U.S. and Canadian subsidiaries. This debt is denominated in Canadian dollars and therefore is subject to translation gains and losses in terms of U.S. dollars. While the gains and losses due to translation are eliminated in consolidation for financial reporting purposes, the tax effect is not because the translation of the Canadian balance into U.S. dollars occurs outside of the tax reporting entities and therefore creates a tax difference. For each $.01 increase or decrease in the exchange rate, our annual tax expense will increase or decrease, respectively, by $3.9 million.

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 6.1 billion square feet (3/8” basis) or 5.2 billion square feet (7/16” basis), a $1 change in the annual average price on 7/16” basis would change annual pre-tax profits by approximately $5.2 million.

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 June 30, 2005, 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 (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 by management on a timely basis in order to comply with our disclosure obligations under the Act and the SEC rules thereunder.

There were no changes in our internal controls 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 quarter and six-month periods ended June 30, 2005 and 2004.

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Oriented strand board, million square feet 3/8" basis	1,402	1,397	2,773	2,761
Oriented strand board, million square feet 3/8" basis (produced by wood-based siding mills)	23	3	26	8
Wood-based siding, million square feet 3/8" basis	264	254	514	514
Engineered I-Joist, million lineal feet	23	23	49	45
Laminated veneer lumber (LVL), thousand cubic feet	3,182	3,054	6,375	5,890
Composite Decking, thousand lineal feet	14	10	26	16
Vinyl Siding, squares	775	804	1,510	1,591

(1) Amounts shown above include production that is consumed within LP as well as production that is available for sale to outside customers.

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 N. Central 7/16" Basis
Annual Average	
1993	$ 236
1994	265
1995	245
1996	184
1997	142
1998	205
1999	260
2000	206
2001	159
2002	160
2003	293
2004 1st Qtr. Avg.	428
2004 2nd Qtr Avg.	437
2005 1st Qtr. Avg.	364
2005 2nd Qtr Avg.	297

Source: *Random Lengths*

PART II -OTHER INFORMATION

Item 1.   Legal Proceedings.

Certain environmental matters and legal proceedings involving us are discussed below. Additional environmental matters and legal proceedings involving us are discussed in Item 7, Legal Proceedings, in our annual report on Form 10-K for the year ended December 31, 2004.

ENVIRONMENTAL MATTERS

We are involved in a number of environmental proceedings and activities, and may be wholly or partially responsible for known or unknown contamination existing at a number of other sites at which we have conducted operations or disposed of wastes. Based on the information currently available, we believe that any fines, penalties or other costs or losses in excess of amounts currently accrued resulting from these matters will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

SIDING MATTERS

On October 15, 2002, a jury returned a verdict of $29.6 million against us in a Minnesota State Court action entitled *Lester Building Systems, a division of Butler Manufacturing Company, and Lester's of Minnesota, Inc., v. Louisiana-Pacific Corporation and Canton Lumber Company*. On December 13, 2002, the District of Oregon, which maintains jurisdiction over the nationwide OSB class action permanently enjoined the Minnesota state trial court from entering judgment against us with respect to $11.2 million of the verdict that related to siding that was subject to the nationwide OSB siding settlement. We satisfied this verdict, other than the enjoined amount, in 2004. Lester's has appealed this injunction to the Ninth Circuit Court of Appeals. Based upon the information currently available, we believe that any further liability related to this case is remote and will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

NATURE GUARD CEMENT SHAKES MATTERS

We are a defendant in a class action lawsuit, captioned as *Nature Guard Cement Roofing Shingle Cases*, that is pending in the Superior Court for Stanislaus County, California. The plaintiffs in this action are a class of persons owning structures on which Nature Guard Fiber Cement Shakes were installed as roofing. The complaint in this action asserts claims for breach of express and implied warranties, unfair business practices, and violation of the Consumer Legal Remedies Act and seeks general, compensatory, special and punitive damages, disgorgement of profits and the establishment of a fund to provide restitution to the purported class members.

We no longer manufacture or sell fiber cement shakes. The dollar amount of the referenced claims cannot presently be determined. The complaint in this action does not quantify the relief sought by the plaintiffs individually or on behalf of the class, discovery in this action has not been completed, no determination of liability has been made and no process for the submission of individual claims in connection with this action has been established. Counsel for the plaintiffs in this action has stated that the plaintiffs "seek as damages the cost of replacing all of the roofs, estimated to be approximately $100 million, plus punitive damages." In addition to denying liability for the replacement of the affected roofs, we believe that the foregoing estimate of related cost is significantly overstated. We believe that we have substantial defenses to this action and are unable to predict the potential financial impact of this action.

OTHER PROCEEDINGS

During the third quarter of 2004, we received a letter from a law firm purporting to represent more than 1,400 potential plaintiffs who allegedly experienced various personal injuries and property damages as a result of the alleged release of chemical substances from our wood treatment facility in Lockhart, Alabama during the period from 1953 to 1998. The letter is characterized as a "pre-litigation settlement demand" to us and Pactiv Corporation, from whom we acquired the facility in 1983. We intend to defend vigorously any legal proceedings that may be commenced against us by the potential plaintiffs. As of the date of this report, we and the potential plaintiffs have agreed to refrain from commencing any legal proceedings in respect of the potential plaintiffs' allegations and to the tolling of applicable statutes of limitations. These agreements are terminable by either party upon 30 days notice.

We are not presently able to quantify its financial exposure, if any, relating to the matters alleged in the letter, and the potential plaintiffs have not specified the amount of compensation sought.

We are parties to other legal proceedings. Based on the information currently available, we believe that the resolution of such proceedings will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Contingency Reserves

We maintain reserves for the estimated cost of the legal and environmental matters referred to above. However, as with any estimate, there is uncertainty of predicting the outcomes of claims and litigation and environmental investigations and remediation efforts that could cause actual costs to vary materially from current estimates. Due to various uncertainties, we cannot predict to what degree, if any, actual payments will materially exceed the recorded liabilities related to these matters. However, it is possible that, in either the near term or the longer term, revised estimates or actual payments will significantly exceed the recorded liabilities.

For information regarding our financial statement reserves for the estimated costs of the environmental and legal matters referred to above, see Note 18 of the Notes to financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2004.

Item 4. Submission Of Matters To A Vote Of Security Holders

None

Item 6. Exhibits

10.3*	2005 Supplemental Executive Retirement Plan, amended and restated effective January 1, 2005
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.

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.

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* Indicates a management contract or compensatory plan or arrangement.

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: August 8, 2005	BY: /S/ RICHARD W. FROST Richard W. Frost Chief Executive Officer
Date: August 8, 2005	By: /S/ CURTIS M. STEVENS Curtis M. Stevens Executive Vice President Administration and Chief Financial Officer (Principal Financial Officer)

Exhibit 10.3

LOUISIANA-PACIFIC CORPORATION

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Amended and Restated Effective January 1, 2005

LOUISIANA-PACIFIC CORPORATION

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Amended and Restated Effective January 1, 2005

1. PURPOSE; EFFECTIVE DATE

The purpose of this Supplemental Executive Retirement Plan (the "Plan") is to provide supplemental retirement and death benefits for certain key employees of Louisiana-Pacific Corporation (the "Corporation") and certain of its subsidiary companies. It is intended that the Plan will aid in retaining and attracting employees of exceptional ability by providing them with these benefits. The Plan became effective as of July 1, 1997, was amended and restated as of January 1, 2000, January 1, 2002, May I, 2002, and September 1, 2004, and is further amended and restated as of January 1, 2005 as set forth herein.

2. DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 Acquiring Person. An "Acquiring Person" or a "Person" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

2.2 Accumulated with Interest. "Accumulated with Interest" means to project Qualified and Other Plan Accounts amounts from one date to a subsequent date assuming an interest rate of seven percent (7%) compounded annually.

2.3 Actuarial Equivalent. "Actuarial Equivalent" means equality in value of the aggregate amounts expected to be received under different forms and timing of payment, which shall be determined by using the Pension Benefit Guaranty Corporation Lump Sum Interest Rate for Private Sector Payments (as published in appendix C of 29 CFR 4022, or any successor or replacement rate) and the UP84 Mortality Table set back four (4) years for males and females. For purposes of calculating an Actuarial Equivalent for a Participant's benefits, the interest rate assumptions and calculation methodology will be made in the manner described on Appendix A to the Plan, which Appendix may be modified from time to time by the Committee.

2.4 Beneficiary. "Beneficiary" means the person, persons or entity entitled under Article VI to receive any Plan benefits payable after a Participant's death.

2.5 Benefit Commencement Date. "Benefit Commencement Date" means the date specified by a Participant in his or her Form and Time of Benefit Election as described in Section 5.7(c) with respect to any Early Retirement, Early Termination, or Change in Control Benefit that may become payable to the Participant.

2.6 Board. "Board" means the Board of Directors of the Corporation.

2.7 Change in Control. "Change in Control" means:

(a) The acquisition by an Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of Corporation (the "Outstanding Corporation Common Stock") or (ii) the combined voting power of the then outstanding voting securities of Corporation entitled to vote generally in the election of directors (the "Outstanding Corporation Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions will not constitute a Change in Control: (i) any acquisition directly from Corporation, (ii) any acquisition by Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Corporation or any corporation controlled by Corporation or (iv) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or

(b) Individuals who, as of January 1, 2005, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to January 1, 2005, whose election, or nomination for election by Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Corporation or the acquisition of assets of another entity (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business

Combination (including, without limitation, a corporation which as a result of such transaction owns Corporation or all or substantially all of Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit

plan (or related trust) of Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of Corporation of a complete liquidation or dissolution of Corporation.

2.8 Committee. "Committee" means the Committee appointed by the Corporation to administer the Plan pursuant to Section 7.

2.9 Compensation. "Compensation" means base pay and annual cash incentive bonuses paid to a Participant during the calendar year, before reduction for amounts deferred under the Louisiana-Pacific Executive Deferred Compensation Plan or any other salary reduction program. Compensation does not include expense reimbursements, any form of noncash compensation or benefits, stock option income, group life insurance premiums, severance pay, or any other payments or benefits other than base pay and annual cash incentive bonuses.

2.10 Corporation. "Corporation" means Louisiana-Pacific Corporation, a Delaware corporation, or any successor to the business thereof.

2.11 Deferred Retirement Date. "Deferred Retirement Date" means the first day of the month coincident with or next following the Participant's termination of employment with the Employer if it occurs after the Participant's Normal Retirement Date.

2.12 Disability. "Disability" means a physical or mental condition which, in the opinion of the Committee, prevents an employee from satisfactorily performing employee's usual duties for Employer. The Committee's decision as to Disability will be based upon medical reports and/or evidence satisfactory to the Committee. In no event shall a Disability be deemed to occur or to continue after a Participant's Normal Retirement Date.

2.13 Early Retirement Date. "Early Retirement Date" means the date on which the Participant terminates employment with the Employer if it occurs on or after the first day of the month coincidental with or next following a Participant's attainment of age fifty-five (55) and completion of five (5) Years of Participation, but prior to his Normal Retirement Date.

2.14 Employer. "Employer" means the Corporation and any affiliated or subsidiary company of the Corporation which is organized under the laws of any state of the United States.

2.15 Final Average Compensation. "Final Average Compensation" means the Participant's Compensation during the sixty (60) consecutive complete calendar months of paid employment out of the last one hundred twenty (120) months of employment with the Employer in which the Participant's Compensation is the highest divided by sixty (60). If a Participant's number of complete calendar months of paid employment with the Employer is less than sixty (60), the Participant's Final Average Compensation shall be the monthly average of all such complete calendar months of paid employment.

2.16 Final Compensation. "Final Compensation" means a Participant's base pay for the twelve (12) months prior to termination of employment with the Employer, plus the average annual cash incentive bonus paid the last three (3) years, divided by twelve (12). If the Participant has not been a Participant in the Employer's annual incentive plan for three (3) full years or been an employee for a full twelve (12) months, then the proceeding determination shall be adjusted pro rata.

2.17 Form and Time of Benefit Election. "Form and Time of Benefit Election" means an election by a Particpant pursuant to Section 5.7(c) by which the Particpant elects one of the forms of benefit payments described in Section 5.7(a) and specifies a Benefit Commencement Date with respect to any Early Retirement, Early Termination, or Change in Control Benefit that may become payable to the Participant.

2.18 Involuntarily Terminated. "Involuntarily Terminated" means a Participant is discharged or resigns in response to a change in day-to-day duties, or reduction in Compensation or benefits, to a downward change of title, or to a relocation requested by Employer.

2.19 Normal Retirement Date. "Normal Retirement Date" means the first day of the month coincident with or next following the Participant's attainment of age sixty-two (62).

2.20 Participant. "Participant" means any individual who is participating or has participated in the Plan as provided in Section 3.

2.21 Qualified and Other Plan Accounts. "Qualified and Other Plan Accounts" means a Participant's (1) ESOT, ESOT Transfer, Matching, Profit Sharing and Frozen Profit Sharing Accounts under the Louisiana-Pacific Salaried 401(k) and Profit Sharing Plan, (2) accrued benefits attributable to employer contributions under the Louisiana-Pacific Corporation Retirement Account Plan and any other employee pension benefit plan maintained by the Employer, (3) Qualified Plan Supplemental Credit Account under the Louisiana-Pacific Corporation 2004 Executive Deferred Compensation Plan (the "EDCP") (4) Qualified Plan Makeup Credit Account under the EDCP; (5) Employer Matching Contribution Account under the EDCP; and (6) any account plan defined as a

"Qualified and Other Account Plan" under the terms of the Plan as in effect prior to September 1, 2004.

2.22 Retirement. "Retirement" means a Participant's termination of employment with the Employer at the Participant's Early Retirement Date, Normal Retirement Date, or Deferred Retirement Date.

2.23 Spouse. "Spouse" means a Participant's wife or husband who is lawfully married to the Participant at the time of the Participant's death.

2.24 Supplemental Retirement Benefit. "Supplemental Retirement Benefit" means the benefit determined under Section 5 of this Plan.

2.25 Target Retirement Percentage. "Target Retirement Percentage" means the percentage of Final Average Compensation which will be used as a target from which other forms of retirement benefits are subtracted, as provided in Section 5, to arrive at the amount of the Supplemental Retirement Benefit actually payable to a Participant. This percentage shall equal fifty percent (50%) multiplied by a fraction, the numerator of which is the Participant's Years of Credited Service, not to exceed fifteen (15), and the denominator of which is fifteen (15). The adjusted Target Retirement Percentage shall be rounded to four (4) decimal places.

2.26 Years of Credited Service. "Years of Credited Service" means the whole number of years of vesting service credited under the provisions of the Louisiana-Pacific Corporation Retirement Account Plan.

2.27 Years of Participation. "Years of Participation" means the number of twelve (12) month periods the Participant has been a Participant in the Plan as set out in Section 3.1(b) of the Plan. For the individuals who became initial Participants as of July 1, 1997, Years of Participation shall be measured from January 1, 1997.

3. PARTICIPATION AND VESTING

3.1 Eligibility and Participation.

(a) Eligibility. Employees eligible to participate in the Plan shall be those employees of an Employer who are designated as Participants by the Chief Executive Officer of the Corporation and whose participation in the Plan is approved by the Committee; provided, that the participation of an employee who is an executive officer of the Corporation for purposes of Section 16 of the Securities Exchange Act, or is otherwise designated by the Board as an employee whose compensation is subject to the authority of the Compensation Committee Committee of the Board, shall be subject to the specific approval of the Compensation Committee of the Board.

(b) Participation. An employee's participation in the Plan shall be effective upon notification of the employee of his status as a Participant by the Committee. Participation in the Plan shall continue until such time as the

Participant terminates employment with the Employer, and as long thereafter as the Participant is eligible to receive benefits under this Plan.

3.2 Vesting. Each Participant shall be one hundred percent (100%) vested in benefits under this Plan after completing five (5) Years of Participation in the Plan. The proceeding notwithstanding, each Participant shall be one hundred percent (100%) vested in benefits under this Plan upon death, Disability or a Change in Control.

3.3 Cessation of Eligibility. Notwithstanding Section 3.1(b) of this Plan, if a Participant ceases to be designated by the Committee as eligible to participate in the Plan, by reason of a change in employment status or otherwise, participation herein and eligibility to receive benefits hereunder shall be limited to the Participant's interest in such benefits as of the date designated by the Committee.

4. PRE-TERMINATION SURVIVOR BENEFIT

If a Participant dies while employed by the Employer, the Employer shall pay a supplemental survivor benefit to the Participant's Spouse. The amount of this benefit shall be an amount equal to one-half (1/2) of the amount that would have been payable to the Participant as a fully vested Normal Retirement Benefit in the form of a life annuity payable monthly (as if the Participant had terminated employment with the Employer immediately before his or her date of death and elected a life annuity form of benefit), payable monthly for the life of the Spouse, calculated using the three percent (3%) reduction per year specified in 5.3 to the Participant's age at death if the Participant died before attaining age 62, with payments commencing to the Spouse within thirty (30) days following the Participant's date of death; provided, that if the Participant would have been entitled to a benefit described in Section 5.7(e) had the Participant terminated employment with the Employer immediately prior to the date of death and such benefit has a greater Acturial Equivalent value than the benefit under this Section 4.1, then the benefit described in 5.7(c) shall be payable to the Participant's Spouse or Beneficiary as the case may be.

5. SUPPLEMENTAL RETIREMENT BENEFITS

5.1 Normal Retirement Benefit. If a Participant retires on the Normal Retirement Date, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit that is the Actuarial Equivalent of a life annuity payable monthly, calculated as if it commenced on the first day of the calendar month following the Participant's date of termination of employment with the Employer, for the Participant's life in an amount equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less:

(a) Fifty percent (50%) of the Participant's primary Social Security benefit determined at age 62, and

(b) An amount equal to the Participant's Qualified and Other Plan Accounts amounts, determined as of the Participant's date of termination and subject to Section 5.8, converted to a monthly life annuity on an Actuarial Equivalent basis

times the vesting percentage determined under Section 3.2 of this Plan.

5.2 Deferred Retirement Benefit. If a Participant retires at a Deferred Retirement Date, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit calculated pursuant to Section 5.1, except that 5.1(a) and 5.1(b) shall be measured at the Participant's date of termination.

5.3 Early Retirement Benefit. If a Participant retires at an Early Retirement Date, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit that is the Actuarial Equivalent of a life annuity payable monthly, calculated as if it commenced on the first day of the calendar month following the Participant's 62nd birthday and reduced as provided for in this Section 5.3, for the Participant's life in an amount equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less:

(a) Fifty percent (50%) of the Participant's primary Social Security benefit projected to be paid at age 62 assuming no future increases in Compensation, no change in the Social Security Act and no change in the cost of living or the average wage indexes, and

(b) An amount equal to the Participant's Qualified and Other Plan Accounts amounts, determined as of the Participant's date of termination of employment with the Employer and subject to Section 5.8, converted to a monthly life annuity beginning at age 62 on an Actuarial Equivalent basis but assuming no growth in such amounts to age 62;

times the vesting percentage determined under Section 3.2 of this Plan.

If a Participant retires with the approval of the Committee, the above Early Retirement Benefit shall be reduced by three percent (3%) for each year by which the actual benefit commencement date precedes the Participant's 62nd birthday (prorated for partial years on a monthly basis). If a Participant retires without the approval of the Committee, the above Early Retirement Benefit shall be reduced by five percent (5%) for each year by which the actual benefit commencement date precedes the first day of the calendar month following the Participant's 62nd birthday (prorated for partial years on a monthly basis). For Participants who retire without approval of the Committee, this benefit shall be further reduced by a fraction equal to the Participant's actual Years of Credited Service at termination over Years of Credited Service the Participant would have had at age 62.

5.4 Early Termination Retirement Benefit. If a Participant terminates employment with an Employer prior to Early Retirement, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit that is the Actuarial Equivalent of a life annuity payable monthly, calculated as if

it commenced on the first day of the calendar month following the Participant's 62nd birthday, for the Participant's life in an amount equal to the product of (a) times (b) times (c) where:

(a) is an amount equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less:

(i) Fifty percent (50%) of the Participant's primary Social Security benefit projected to be paid at age 62 assuming no future increases in Compensation, no change in the Social Security act and no change in the cost of living or the average wage indexes, and

(ii) An amount equal to the Qualified and Other Plan Accounts amounts, determined as of the date of the Participant's date of termination and subject to Section 5.8, converted to a monthly life annuity beginning at age 62 on an Actuarial Equivalent basis but assuming no growth in such amounts to age 62.

(b) is the vesting percentage determined under Section 3.2 of this Plan; and

(c) is a fraction equal to the Participant's Years of Credited Service at termination over Years of Credited Service the Participant would have had at age 62.

5.5 Change in Control Benefits. If a Participant is Involuntarily Terminated within thirty-six (36) months of a Change in Control, such Participant shall be granted two (2) extra Years of Credited Service under the Plan, and the greater of Final Compensation or Final Average Compensation shall be used in determining the Participant's Supplemental Retirement Benefit. For such Involuntarily Terminated Participants, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit calculated in the same manner as an Early Retirement Benefit pursuant to Section 5.3 as if the Participant retired with the approval of the Committee.

5.6 Disability Retirement Benefit. If a Participant terminates employment prior to Normal Retirement as a result of Disability, the Employer shall pay to the Participant (payable at the time specified in Section 5.7(d)) a Supplemental Retirement Benefit that is the Actuarial Equivalent of a life annuity payable monthly, calculated as if it commenced 30 days after the Participant's 62nd birthday, for the Participant's life in an amount equal to the amount the Participant would have received at such time under the Normal Retirement provisions of this Article. For purposes of this calculation, Years of Credited Service and Years of Participation shall continue to accrue during the period of Disability and the Participant's Final Average Compensation shall be based only on the amounts earned during the sixty (60) months prior to Disability if this provides the Participant with a greater benefit.

5.7 Payment of Benefits.

(a) Form of Benefit Payments. The normal form of benefit payment shall be a single lump sum payment equal to the Actuarial Equivalent of a life annuity payable monthly. Any other form of monthly benefit elected by the Participant must be the Actuarial Equivalent of a life annuity payable monthly. The form of benefit payments available to Participants shall be:

(i) Lump Sum Payment

(ii) Life Annuity

(iii) 10-Year Certain and Life Annuity

(iv) 50% Joint and Spouse Survivor Annuity

(v) 100% Joint and Spouse Survivor Annuity

(b) Default Form of Benefit Payment. If there is no effective Form and Time of Benefit Election by a Participant, such Participant's form of benefit payment shall be a single lump sum payment equal to the Actuarial Equivalent of a life annuity payable monthly.

(c) Form and Time of Benefit Election. Except as provided in Section (c)(i) with respect to Participants as of January 1, 2005, at the time of enrollment the Participant shall deliver to the Employer a Form and Time of Benefit Election (in a form satisfactory to Corporation) specifying (i) one of the forms of benefit payments described in Section (a), and (ii) a Benefit Commencement Date (which may not be later than the first day of the first calendar month beginning after the Participant's 62nd birthday) applicable in the event the Participant receives an Early Retirement, Early Termination, or Change in Control Benefit.

(i) Form and Time of Benefit Election for Participants as of January 1, 2005. Each Participant who was a Participant as of January 1, 2005, shall make a Form and Time of Benefit Election not later than December 31, 2005.

(ii) Changes to Form and Time of Benefit Elections. A Participant may amend, revoke, or replace a Form and Time of Benefit Election, subject to the following restrictions (unless the Committee expressly waives or modifies one or more of such restrictions based on the Committee's determination that such waiver or modification would not result in constructive receipt or cause the Plan not to meet the requirements of applicable law or Treasury Regulations):

(1) In no event may a Participant change his or her Form and Time of Benefit Election to accelerate the time or schedule of any benefit payment under the Plan (including without limitation any change from any annuity form of benefit payment to a lump sum form of payment);

(2) No change to an existing a Form and Time of Benefit Election may take effect until at least 12 months after the date of such amended Form and Time of Benefit Election;

(3) With respect to distributions other than distributions upon the death or Disability of a Participant, the first date on which a distribution or installment may be made under an amended Form and Time of Benefit Election may not be earlier than five years after the date the distribution or payment would otherwise have been made; and

(4) In no event may a Participant make more than one amendment to a Form and Time of Benefit Election to delay any distribution or payment.

The Committee may modify the foregoing restrictions and/or adopt other restrictions from time to time to provide for efficient administration of the Plan and to cause the Plan to comply with applicable law and Treasury Regulations.

(d) Time of Payment or Commencement of Benefit Payments.

(i) Normal and Deferred Retirement Benefits. A Participant's Normal Retirement or Deferred Retirement Benefit will be payable or will commence on the first day of the seventh calendar month beginning after the Participant's termination of employment.

(ii) Early Retirement, Early Termination, and Change in Control Benefits. A Participant's Early Retirement, Early Termination, or Change in Control Benefit will be payable or will commence on the later of:

(1) The first day of the seventh calendar month beginning after the Participant's termination of employment; or

(2) The Benefit Commencement Date specified in the Participant's Form and Time of Benefit Election.

(iii) Disability Retirement Benefits. A Participant's Disability Retirement Benefit will be payable or will commence on the first day of the first calendar month beginning after the earlier of (1) the Participant's 62nd birthday or (2) the date the Participant ceases to be Disabled.

(e) Death Prior to Commencement of Benefit Payments. If a Participant terminates employment and dies before the commencement of benefits as provided under Section 5.7(d), any survivor benefit under the form of benefit that was elected by the Participant under Sections 5.7(a)(iii), (a)(iv), or (a)(v) shall be payable to the Participant's Spouse or Beneficiary, as the case may be, at the time benefits otherwise would have commenced to the Participant.

5.8 Qualified and Other Retirement Plan Accounts Offset. In the event that all or a portion of a Participant's Qualified and Other Retirement Plan Accounts are paid out prior to the applicable benefit calculation date under any provision of Section 5 of the Plan, the value of such Accounts at termination shall be the amount distributed Accumulated with Interest to the date of termination.

5.9 Excise Tax and Lost Benefit Makeup. If as a result of participating in the Plan the Participant is required to pay additional excise tax under Section 4999 of the Internal Revenue Code ("IRC"), or receives a smaller benefit from any other Employer retirement plan as a result of any IRC Section 280G Golden Parachute limitations, then a makeup amount shall be payable from the Plan. This amount shall be equal to the amount of Section 4999 excise tax payable and any lost benefit from other Employer retirement plans due to IRC Section 280G Golden Parachute limitation, as a result of participation in the Plan, plus any excise tax and income taxes payable due to this payment. The Corporation and Participant shall cooperate in good faith in making such determination and in providing the necessary information for this purpose.

5.10 Withholding; Payroll Taxes. The Employer shall withhold from payments made hereunder any taxes required to be withheld from a Participant's wages for the federal or any state or local government. However, a Beneficiary may elect not to have withholding for federal income tax purposes pursuant to Section 3405 of the Internal Revenue Code, or any successor provision.

5.11 Payment to Guardian. If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Committee and the Employer from all liability with respect to such benefit.

6. BENEFICIARY DESIGNATION

6.1 Beneficiary Designation. Each Participant shall have the right, at any time, to designate any person or persons as his Beneficiary or Beneficiaries (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of his death prior to payment to Participant of the benefits due to the Participant under the Plan. Each Beneficiary designation shall be in a written form prescribed by

the Committee, and will be effective only when filed with the Committee during the Participant's lifetime.

6.2 Changing Beneficiary. Subject to Section 6.3, any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new designation with the Committee. The filing of a new designation shall cancel all designations previously filed. If a Participant's benefits under the Plan are subject to the community property laws of any state, any Beneficiary designation or change in Beneficiary designation shall be valid or effective only as permitted by applicable law.

6.3 No Beneficiary Designation. In the absence of an effective Beneficiary Designation, or if all designated Beneficiaries predecease the Participant or dies prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be the person in the first of the following classes in which there is a survivor:

(a) the surviving Spouse;

(b) the Participant's children, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take by right of representation the share the parent would have taken if living;

(c) the Participant's estate.

7. ADMINISTRATION

7.1 Committee; Duties. The Plan shall be administered by a Committee consisting of not less than three (3) persons appointed by the Corporation. Members of the Committee may be Participants in the Plan. The members of the Committee on January 1, 2005 are Curtis M. Stevens, Russell S. Pattee and Andrea L. Vicino. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in connection with the Plan. Members of the Committee may be Participants under the Plan; provided, that a member of the Committee who is also a Participant shall not participate in any decision or interpretation of the Committee that relates specifically to the calculation of or right to receive his or her accrued benefit under the Plan. A majority vote of the Committee members entitled to vote shall control any Committee decision.

7.2 Agents. The Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Employer.

7.3 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated

hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

7.4 Indemnity of Committee. The Employer shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct.

8. CLAIMS PROCEDURE

8.1 Claim. Any person claiming a benefit, requesting an interpretation or ruling under the Plan or requesting information under the Plan shall present the request in writing to the Committee which shall respond in writing within thirty (30) days.

8.2 Denial of Claim. If the claim or request is denied, the written notice of denial shall state:

(a) The reason for denial, with specific reference to the Plan provisions on which the denial is based.

(b) A description of any additional material or information required and an explanation of why it is necessary.

(c) An explanation of the Plan's claim review procedure.

8.3 Review of Claim. Any person whose claim or request is denied or who has not received a response within thirty (30) days may request review by notice given in writing to the Committee. The claim or request shall be reviewed by the Committee who may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

8.4 Final Decision. The decision on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reason and the relevant plan provisions. All decisions on review shall be final and bind all parties concerned.

9. TERMINATION, SUSPENSION OR AMENDMENT

9.1 Termination, Suspension or Amendment of Plan. The Corporation may at any time terminate, suspend or amend the Plan in whole or in part; provided, however, that any such termination or suspension, or any amendment that would materially change the benefits provided under the Plan, shall be subject to the prior approval of the Compensation Committee of the Board. Provided, further, that no such action shall be effective to decrease or restrict the accrued benefit of any Participant as of the date of such action.

10. MISCELLANEOUS

10.1 Unfunded Plan. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Plan shall terminate and no further benefits shall accrue hereunder in the event it is determined by a court of competent jurisdiction or by an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt. In the event of such termination, the amount of each Participant's vested benefits under the Plan shall be distributed to such Participant at such time and in such manner as the Committee, in its sole discretion, determines.

10.2 Unsecured General Creditor. In the event of Employer's insolvency, Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Employer, nor shall they be Beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Employer. In that event, any and all of the Employer's assets and policies shall be, and remain, the general, unpledged, unrestricted assets of the Employer. The Employer's obligation under the Plan shall be that of an unfunded and unsecured promise of the Employer to pay money in the future.

10.3 Trust Fund. The Employer shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Employer may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Employer's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Employer shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Employer.

10.4 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.5 Not a Contract of Employment. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Employer and the Participant, and the Participant (or his or her Beneficiary) shall have no rights against

the Employer except as may otherwise be specifically provided herein. Moreover, nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge the Participant at any time.

10.6 Protective Provisions. A Participant will cooperate with the Employer by furnishing any and all information requested by the Employer, in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Employer may deem necessary and taking such other action as may be requested by the Employer.

10.7 Terms. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

10.8 Captions. The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

10.9 Governing Law; Arbitration. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Oregon. Any dispute or claim that arises out of or that relates to the Plan or to the interpretation, breach, or enforcement of the Plan, must be resolved by mandatory arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc., and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

10.10 Validity. In case any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.11 Notice. Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to any member of the Committee or the Secretary of the Employer. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

10.12 Successors. The provisions of the Plan as it may be amended from time to time shall bind and inure to the benefit of the Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Employer, and successors of any such corporation or other business entity.

LOUISIANA-PACIFIC CORPORATION

By: /s/ Curtis M. Stevens
Executive Vice President, Administration,
and Chief Executive Officer

Date: August 6, 2005

By: /s/ Anton C. Kirshhof
Secretary

Date: August 6, 2005

LOUISIANA-PACIFIC CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

APPENDIX A

Definitions

Termination Date
This is the date a participant leaves employment with the Company. Offset account balances are determined as of this date (0% return assumed to age 62).

Commencement Date
This is the date the first payment is made. This date will be the first of the 7th month following the Termination Date for Early Termination, Early Retirement, Normal Retirement, Deferred Retirement, Change in Control Benefits and Section 5.7(e) Post-Termination Death Benefits unless a later date was elected by the Participant. This date will be the first of the month following the Termination Date for Disability Benefits and Section 4 Pre-Termination Death Benefits (not subject to the 6 month wait).

PBGC Interest Rate
The interest rate to use for the Actuarial Equivalence calculations as specified in Section 2.3 should be the PBGC Lump Sum Interest Rate for Private Sector Payments effective for the month immediately preceding the Commencement Date.

Actuarial Equivalent Calculations

Actuarial Equivalent assumptions are used for converting:

I. the offset account balances to an immediate annuity payable at age 62

II. the monthly SERP annuity to a lump-sum

III. the monthly SERP annuity to an optional annuity benefit form

IV. the monthly age 62 SERP annuity to an actuarially increased benefit if the benefit commences later than the first of the month following attainment of age 62

Calculation Methodology

In general, the following calculation methodology should be applied:

a) Calculate the target benefit at age 62

b) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62 (0% investment return assumed to age 62)

c) Subtract 50% of the Social Security Benefit payable at age 62

d) Convert to an annuity payable as of the Commencement Date, using the Early Retirement Reduction Factors if applicable

e) Benefits that commence later than the first of the month following the Participant's 62nd birthday will be actuarially increased to adjust for the late commencement

f) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

Specific calculation methodologies for each type of benefit are defined below.

NORMAL RETIREMENT BENEFIT

a) Calculate the target benefit at age 62

b) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62

c) Subtract 50% of the Social Security Benefit payable at age 62

d) Actuarially increase the annuity benefit from age 62 to the Commencement Date

e) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

DEFERRED RETIREMENT BENEFIT

a) Calculate the target benefit as of the Termination Date

b) Subtract the offset balances as of the Termination Date converted to an annuity payable as of the Determination Date

c) Subtract 50% of the Social Security Benefit payable as of the Determination Date

d) Actuarially increase the annuity benefit from the Termination Date to the Commencement Date

e) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

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EARLY RETIREMENT BENEFIT

a) Calculate the target benefit at age 62

b) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62 (0% investment return assumed to age 62)

c) Subtract 50% of the Social Security Benefit payable at age 62

d) Multiply by the Early Retirement Factor (with or without approval as defined in the Plan Document) to convert to an annuity payable as of the Commencement Date. Actuarially increase the annuity benefit from age 62 to the Commencement Date if the benefit commences later than the first of the month following the Participant's 62nd birthday.

e) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

EARLY TERMINATION BENEFIT

a) Calculate the target benefit at age 62

b) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62 (0% investment return assumed to age 62)

c) Subtract 50% of the Social Security Benefit payable at age 62

d) Multiply by the service ratio as defined in the Plan Document

e) Actuarially adjust the annuity benefit from age 62 to the Commencement Date

f) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

DISABILITY BENEFIT

a) Use Final Average Compensation for the 60 month prior to the Disability if this results in a larger benefit

b) Participant continues to accrue service until the later of age 62 or recovery from Disability

c) Calculate the target benefit at age 62

d) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62 (0% investment return assumed to age 62)

e) Subtract 50% of the Social Security Benefit payable at age 62

f) Actuarially adjust the annuity benefit from age 62 to the Commencement Date

g) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

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CHANGE IN CONTROL BENEFIT

a) Add 2 years of Credited Service

b) Use the greater of Final Compensation or Final Average Compensation

c) Assume Early Retirement with Approval

e) Calculate the target benefit at age 62

f) Subtract the offset balances as of the Termination Date converted to an annuity payable at age 62 (0% investment return assumed to age 62)

g) Subtract 50% of the Social Security Benefit payable at age 62

h) Multiply by the Early Retirement Factor (with approval) to convert to an annuity payable as of the Commencement Date

i) Convert the annuity as of the Commencement Date to a lump-sum or optional annuity benefit form if elected by participant

PRE-TERMINATION DEATH BENEFIT

a) Calculate the target benefit as of the later of age 62 or the Termination Date

b) Subtract the offset balances as of the Termination Date converted to an annuity payable at the later of age 62 or the Termination Date (0% investment return assumed to age 62)

c) Subtract 50% of the Social Security Benefit payable at the later of age 62 or the Termination Date

d) Convert to an annuity payable as of the Commencement Date using the 3% per year Early Retirement Reduction Factor if participant died prior to attaining age 62

e) Divide the benefit in half

f) Benefit is payable as of the Commencement Date for the life of the Spouse

g) Compare the benefit to the Post-Termination Death Benefit and pay the larger of the two

POST-TERMINATION DEATH BENEFIT

a) Applies to death between Termination Date and Commencement Date

b) Death benefit is based on form elected and is payable as of the participant's Commencement Date. No death benefit is due if a Single Life Annuity was elected. If a lump-sum was elected, it will be paid to the beneficiary.

c) Follow procedures above for applicable benefit type

CERTIFICATIONS

I, Richard W. Frost, Chief Executive Officer of Louisiana-Pacific Corporation, 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 officers 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 officers 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: August 8, 2005

/S/ RICHARD W. FROST

RICHARD W. FROST

CERTIFICATIONS

I, Curtis M. Stevens, Chief Financial Officer of Louisiana-Pacific Corporation, 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 officers 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 officers and I have disclosed, based on our most recent evaluation of internal controls 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 could 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: August 8, 2005

/S/ CURTIS M. STEVENS
Curtis M. Stevens

Exhibit 32.1

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

August 8, 2005

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
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 period ended June 30, 2005, 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/ RICHARD W. FROST
Name: Richard W. Frost
Title: Chief Executive Officer

/S/ CURTIS M. STEVENS
Name: Curtis M. Stevens
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.