

Louisiana-Pacific Corporation

Q3 2006 Financial Results

October 24, 2006

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on October 24, 2006 relating to LP's financial condition and results of operations as of and for the quarter ended September 30, 2006. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after October 24, 2006.



Forward Looking Statements

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



Statement Relating to the Use of Non-GAAP Financial Measures

During the course of this presentation, certain non-U.S. GAAP financial information will be presented. Reconciliation of those numbers to U.S. GAAP financial measures are available on the company's website at www.lpcorp.com under the Investor Relations Presentations section.



Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	September 30, 2006	June 30, 2006	September 30, 2005
Net sales	\$ 535	\$ 653	\$ 621
Income from continuing operations	\$ 10	\$ 55	\$ 176
Loss from discontinued operations	\$ -	\$ -	\$ (8)
Net income	\$ 10	\$ 55	\$ 168
Diluted EPS from continuing operations	\$ 0.09	\$ 0.52	\$ 1.59
Diluted EPS	\$ 0.09	\$ 0.52	\$ 1.53



Financial Results – YTD

Dollar amounts in millions, except per share amounts

	Nine Months Ended	
	September 30, 2006	September 30, 2005
Net sales	\$ 1,866	\$ 1,975
Income from continuing operations	\$ 150	\$ 385
Loss from discontinued operations	\$ (2)	\$ (15)
Net income	\$ 148	\$ 370
Diluted EPS from continuing operations	\$ 1.42	\$ 3.48
Diluted EPS	\$ 1.41	\$ 3.34



Tax Reconciliation

Dollar amounts in millions

	Quarter Ended September 30,			
	2006		2005	
	<u>Tax Provision</u>	<u>Tax Rate</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
Continuing operations	\$ (5.1)	(106%)	\$ 35.2	32%
Discontinued operations	(0.2)	38%	(4.7)	38%
Effect of Repatriation	-		(101.7)	
	<u>\$ (5.3)</u>	<u>(126%)</u>	<u>\$ (71.2)</u>	<u>(73%)</u>

	Nine Months Ended September 30,			
	2006		2005	
	<u>Tax Provision</u>	<u>Tax Rate</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
Continuing operations	\$ 57.5	28%	\$ 140.0	32%
Discontinued operations	(1.0)	38%	(9.5)	38%
Effect of Repatriation	-		(91.0)	
	<u>\$ 56.5</u>	<u>28%</u>	<u>\$ 39.5</u>	<u>10%</u>



OSB

Dollar amounts in millions

	<u>Q3 '06</u>	<u>Q2 '06</u>	<u>Q3 '05</u>	CHANGE FROM	
				<u>Q2 '06</u>	<u>Q3 '05</u>
Sales	\$ 276	\$ 355	\$ 353	(22%)	(22%)
Profit ^a	\$ (9)	\$ 62	\$ 99	(115%)	(109%)
DDA	\$ 20	\$ 21	\$ 22		
<u>Volume</u>				(4%)	4%
<u>Price</u>				(23%)	(29%)

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Siding

Dollar amounts in millions

	<u>Q3 '06</u>	<u>Q2 '06</u>	<u>Q3 '05</u>	CHANGE FROM	
				<u>Q2 '06</u>	<u>Q3 '05</u>
Sales	\$ 137	\$ 149	\$ 129	(8%)	6%
Profit ^a	\$ 19	\$ 23	\$ 17	(17%)	12%
DDA	\$ 5	\$ 5	\$ 4		
<u>Volume</u>					
Smart Side				(9%)	4%
Hardboard				(11%)	(20%)
<u>Price</u>					
Smart Side				1%	3%
Hardboard				5%	11%

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Engineered Wood Products

Dollar amounts in millions

	<u>Q3 '06</u>	<u>Q2 '06</u>	<u>Q3 '05</u>	CHANGE FROM	
				<u>Q2 '06</u>	<u>Q3 '05</u>
Sales	\$ 93	\$ 110	\$ 101	(15%)	(8%)
Profit ^a	\$ 8	\$ 9	\$ 8	(12%)	0%
DDA	\$ 4	\$ 3	\$ 4		
<u>Volume</u>					
I-Joist				(14%)	(7%)
LVL				(23%)	(5%)
<u>Price</u>					
I-Joist				(1%)	(4%)
LVL				(2%)	(2%)

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Other

Dollar amounts in millions

	<u>Q3 '06</u>	<u>Q2 '06</u>	<u>Q3 '05</u>	CHANGE FROM	
				<u>Q2 '06</u>	<u>Q3 '05</u>
Sales	\$ 29	\$ 40	\$ 40	(28%)	(28%)
Profit ^a	\$ (5)	\$ 3	\$ 1	(267%)	(600%)
DDA	\$ 3	\$ 3	\$ 2		
<u>Volume</u>					
Decking				(55%)	(55%)
Moulding				(5%)	5%
<u>Price</u>					
Decking				(2%)	16%
Moulding				(6%)	(4%)

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	September 30, <u>2006</u>	December 31, <u>2005</u>
Total cash and investments	\$ 1,267	\$ 1,395
Working capital	\$ 1,369	\$ 1,451
Net cash and investments	\$ 947	\$ 968
Capital expenditures YTD (includes investments in JVs)	\$ 129	
Book value per share	\$ 20.27	\$ 19.31

See appendix for reconciliations



Appendix

Appendix

Dollar amounts in millions

Calculation of "Working Capital"

Current assets

Current liabilities

Working capital

	September 30, 2006	December 31, 2005
	\$ 1,587	\$ 1,797
	(218)	(346)
	<u>\$ 1,369</u>	<u>\$ 1,451</u>

Calculation of "Net Cash and Investments"

Long-term debt

Current portion of long term debt

Current portion of limited recourse debt

Notes receivable from assets sales

Total cash and investments

Net cash and investments

	\$ (646)	\$ (735)
	(1)	(19)
	-	(70)
	327	397
	<u>1,267</u>	<u>1,395</u>
	<u>\$ 947</u>	<u>\$ 968</u>

Calculation of "Total Cash and Investments"

Cash and cash equivalents

Short term investments

Restricted cash

Long-term investments

Total cash and investments

	\$ 296	\$ 608
	886	717
	39	56
	46	14
	<u>\$ 1,267</u>	<u>\$ 1,395</u>