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BUILDING PRODUCTS



# Louisiana-Pacific Corporation

Q4 2010 Financial Results  
February 10, 2011

These slides were prepared and should be read in conjunction with the earnings release by LP's management on February 10, 2011 relating to LP's financial condition and results of operations as of and for the quarter and year ended December 31, 2010. 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 February 10, 2011.

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# 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](http://www.lpcorp.com) under the Investor Relations Presentations section.

# Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	December 31, 2010	September 30, 2010	December 31, 2009
Net sales	\$ 316	\$ 323	\$ 277
Operating income (loss)	\$ (18)	\$ (16)	\$ (51)
Income (loss) from continuing operations	\$ (2)	\$ (31)	\$ (47)
Net income (loss)	\$ (7)	\$ (32)	\$ (49)
Diluted EPS from continuing operations	\$ (0.02)	\$ (0.23)	\$ (0.37)
Diluted EPS	\$ (0.05)	\$ (0.24)	\$ (0.39)
Adjusted EBITDA from continuing operations	\$ -	\$ 4	\$ (20)
Tax rate on continuing operations	80%	35%	27%
Average shares outstanding - basic & diluted	132.2	132.2	124.4

# Reconciliation of Special Items

Dollar amounts in millions, except per share amounts

	<u>Q4 10</u>	<u>Q3 10</u>	<u>Q4 09</u>
Income (loss) from continuing operations	\$ (2.4)	\$ (31.0)	\$ (46.5)
<b>Less “special items”:</b>			
(Gain) loss on sale or impairment of long-lived assets	0.3	0.9	(0.4)
Other operating credits and charges	(2.7)	2.3	8.9
Loss on early debt extinguishment	-	-	21.1
Gain on sale of long-term investments	(19.0)	-	(18.7)
Other than temporary impairment of investments	-	16.9	0.2
	<u>(21.4)</u>	<u>20.1</u>	<u>11.1</u>
Provision for income taxes *	8.3	(7.8)	(4.3)
After tax effect of “special items”	<u>(13.1)</u>	<u>12.3</u>	<u>6.8</u>
Adjusted income from operations excluding “special items”	<u>\$ (15.5)</u>	<u>\$ (18.7)</u>	<u>\$ (39.7)</u>
Adjusted income from operations excluding “special items” per diluted share	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ (0.32)</u>

\* Based upon marginal tax rate of 38.7%

# Financial Results – Year to Date

Dollar amounts in millions, except per share amounts

	Year Ended December 31,	
	2010	2009
Net sales	\$ 1,384	\$ 1,061
Operating income (loss)	\$ (8)	\$ (133)
Income (loss) from continuing operations	\$ (32)	\$ (117)
Net loss	\$ (39)	\$ (121)
Diluted EPS from continuing operations	\$ (0.25)	\$ (1.07)
Diluted EPS	\$ (0.30)	\$ (1.11)
Adjusted EBITDA from continuing operations	\$ 82	\$ (44)
Tax rate on continuing operations	41%	35%
Average shares outstanding - basic & diluted	129.1	108.5

# Reconciliation of Special Items

Dollar amounts in millions, except per share amounts

	<u>Year Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Loss for continuing operations	\$ (32.2)	\$ (116.5)
<b>Less “special items”:</b>		
(Gain) loss on sale or impairment of long-lived assets	2.4	(2.5)
Other operating credits and charges, net	0.1	1.6
Gain on sale of long-term investments	(19.0)	(18.7)
Loss on early extinguishment of debt	-	20.7
Other than temporary impairment of investments	17.0	2.0
	<u>0.5</u>	<u>3.1</u>
Provision (benefit) for income taxes *	6.4	(1.2)
After tax effect of “special items”	6.9	1.9
Adjusted income from operations excluding “special items”	<u>\$ (25.3)</u>	<u>\$ (114.6)</u>
Adjusted income from operations excluding “special items” per diluted share	<u>\$ (0.20)</u>	<u>\$ (1.06)</u>

\* Adjusted for non-deductible Other than temporary investment impairment and assuming a margin tax rate of 38.7%

# OSB

Dollar amounts in millions

	<u>Q4 10</u>	<u>Q3 10</u>	<u>Q4 09</u>	<u>Year to Date</u>	
				<u>2010</u>	<u>2009</u>
Sales	\$ 127	\$ 140	\$ 114	\$ 603	\$ 409
Profit (loss) <sup>a</sup>	\$ (13)	\$ (5)	\$ (17)	\$ 26	\$ (65)
Adjusted EBITDA <sup>b</sup>	\$ (3)	\$ 5	\$ (8)	\$ 64	\$ (29)
Percentage Changes:					
Sales		(9%)	11%		47%
Adjusted EBITDA		(161%)	64%		320%
<u>Volume</u>		(3%)	6%		15%
<u>Price</u>		(8%)	4%		28%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations

# Siding

Dollar amounts in millions

	<u>Year to Date</u>				
	<u>Q4 10</u>	<u>Q3 10</u>	<u>Q4 09</u>	<u>2010</u>	<u>2009</u>
Sales	\$ 103	\$ 104	\$ 87	\$ 428	\$ 379
Profit <sup>a</sup>	\$ 12	\$ 9	\$ 5	\$ 51	\$ 29
Adjusted EBITDA <sup>b</sup>	\$ 16	\$ 13	\$ 9	\$ 70	\$ 48

## Percentage Changes:

Sales	(1%)	18%	13%
Adjusted EBITDA	22%	75%	45%

## Volume

SmartSide	(3%)	16%	11%
Canoxel	2%	6%	8%

## Price

SmartSide	-	-	-
Canoxel	7%	14%	9%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment

<sup>b</sup> Adjusted EBITDA from continuing operations

# Engineered Wood Products

Dollar amounts in millions

	<u>Year to Date</u>				
	<u>Q4 10</u>	<u>Q3 10</u>	<u>Q4 09</u>	<u>2010</u>	<u>2009</u>
Sales	\$ 49	\$ 38	\$ 44	\$ 192	\$ 158
Profit (loss) <sup>a</sup>	\$ (6)	\$ (5)	\$ (9)	\$ (21)	\$ (33)
Adjusted EBITDA <sup>b</sup>	\$ (2)	\$ (3)	\$ (6)	\$ (8)	\$ (20)
Percentage Changes:					
Sales		30%	12%		22%
Adjusted EBITDA		28%	69%		63%
<u>Volume</u>					
IJ		14%	(18%)		3%
LVL/LSL		40%	(2%)		12%
<u>Price</u>					
IJ		(2%)	8%		6%
LVL/LSL		(1%)	17%		9%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment

<sup>b</sup> Adjusted EBITDA from continuing operations

# Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	December 31, <u>2010</u>	December 31, <u>2009</u>
Total cash and investments	\$ 436	\$ 441
Working capital	\$ 579	\$ 532
Net cash (debt)	\$ 211	\$ 163
Capital expenditures YTD (excludes investments in JVs)	\$ 15	
Book value per share	\$ 9.23	\$ 9.92

# Appendix

Note: Refer to LP Form 8K filed on February 10, 2011 for the reconciliation of EBITDA from continuing operations and Adjusted EBITDA from continuing operations

# Appendix

## Dollar amounts in millions

	December 31, 2010	December 31, 2009
	<u>                    </u>	<u>                    </u>
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 714	\$ 839
Current liabilities	(135)	(307)
Working capital	<u>\$ 579</u>	<u>\$ 532</u>
<u>Calculation of "Net Debt"</u>		
Long-term debt	\$ (715)	\$ (706)
Current portion of long term debt and short term notes payable	-	(61)
Current portion of limited recourse notes payable	-	(113)
Notes receivable from assets sales*	489	489
Current portion of notes receivable from assets sales*	-	113
Total cash and investments	436	441
Net cash and investments	<u>\$ 211</u>	<u>\$ 163</u>
<u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 389	\$ 394
Restricted cash	31	21
Long-term investments	16	26
Total cash and investments	<u>\$ 436</u>	<u>\$ 441</u>

\* Portion of the notes receivable that equates to the limited recourse notes payable