

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (date of earliest event reported) June 30, 1998

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

Delaware  
(State or other jurisdiction  
of incorporation)

1-7107  
(Commission File No.)

93-0609074  
(IRS Employer  
Identification No.)

111 S.W. Fifth Avenue, Portland, Oregon  
(Address of principal executive offices)

97204  
(Zip Code)

Registrant's telephone number, including area code (503) 221-0800

FORWARD LOOKING STATEMENTS

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Statements in this report, to the extent they are not based on historical events, constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, production capacities, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or plans for product development. Investors are cautioned that forward-looking statements are subject to an inherent risk that actual results may vary materially from those described herein. Factors that may result in such variance, in addition to those accompanying the forward looking statements, include changes in interest rates, commodity prices, and other economic conditions; actions by competitors; changing weather conditions and other natural phenomena; actions by government authorities; uncertainties associated with legal proceedings; technological developments; future decisions by management in response to changing conditions; and misjudgments in the course of preparing forward-looking statements.

Item 2. Acquisition or Disposition of Assets.

On June 30, 1998, the registrant completed the sales of its California redwood timberlands and associated sawmill and manufacturing and distribution operations in Northern California in two separate transactions to Simpson Timber Company ("Simpson"), a subsidiary of Simpson Investment Company, and Sansome Forest Partners, L.P., and its subsidiaries ("Sansome"). The sales included more than 300,000 acres of timberlands, three operating sawmills, and two distribution facilities, among other operations. The sales prices for the divested assets totaled approximately \$610.2 million and were determined by arm's-length negotiations between the parties. Sansome and its subsidiaries paid \$240.0 million in cash, subject to post-closing adjustment for changes in working capital and other items. Simpson paid \$16.3 million in cash and delivered promissory notes in the aggregate principal amount of \$353.9 million (the "Simpson Notes"), subject to post-closing adjustment for changes in working capital and other items.

Subsequently, in a separate transaction, the registrant issued \$348.6 million of senior debt of the registrant in a private placement to institutional investors. The Simpson Notes were pledged as additional security for this senior debt.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Not required.

(b) Pro Forma Financial Information.

The pro forma financial information required pursuant to Article 11 of Regulation S-X with respect to the registrant's disposition of assets described in Item 2 is filed below.

(c) Exhibits

The exhibits to this report are listed in the attached Exhibit Index.



UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Balance Sheet at March 31, 1998, presents the historical consolidated balance sheet adjusted to reflect the sale of assets for cash and promissory notes as described in Item 2 "Acquisition or Disposition of Assets" in this Form 8-K as if the sale had occurred on March 31, 1998. The Unaudited Pro Forma Condensed Consolidated Income Statements for the year ended December 31, 1997 and the three month period ended March 31, 1998 present the results of operations of Louisiana-Pacific Corporation and subsidiaries (L-P) assuming the sale of assets had been completed on January 1, 1997. The subsequent issuance of senior debt in a private placement and the investment of cash proceeds from the asset sale and debt issuance in marketable investments are not reflected in the pro forma information.

The following information is not necessarily indicative of the results of operations of L-P as they may be in the future or as they might have been had the transactions been consummated at the beginning of the period shown. The following information is also not necessarily indicative of the gain on sale of assets to be recorded by L-P in the second quarter of 1998, as L-P is not able to determine with certainty, at the time of this filing, the various liabilities to be recorded as a result of the sale of assets, the post-closing adjustments to be made for changes in working capital, the expenses of the sale, the income tax impacts and certain other items. The Unaudited Pro Forma Condensed Consolidated Financial Information should be read in conjunction with the audited historical consolidated financial statements and the notes thereto included in L-P's 1997 Annual Report on Form 10-K and the unaudited condensed consolidated financial statements and the notes thereto included in L-P's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998.

The following information also does not reflect L-P's ultimate use of the proceeds of these transactions which is not known at the time of this filing. Management continues to study alternative uses of the proceeds to maximize the long-term value to L-P and its stockholders, which may include internal investments in L-P's core businesses in the building products market, strategic acquisitions, or implementation of a share repurchase program.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
 (IN MILLIONS)

AS OF MARCH 31, 1998

ASSETS	ACTUAL	PRO FORMA ADJUSTMENTS	PRO FORMA
Cash and cash equivalents	\$ 22.3	\$ 254.8 (a)	\$ 277.1
Accounts receivable, net	168.8	(9.8)(b)	159.0
Inventories	260.3	(52.4)(b)	207.9
Prepaid expenses	11.6	(4.9)(b)	6.7
Income tax refunds receivable	79.6	(9.5)(e)	70.1
Deferred income taxes	73.0		73.0
Total current assets	615.6	178.2	793.8
Timber and Timberlands	642.3	(127.9)(b)	514.4
Property, plant and equipment, Less reserves for depreciation	2,453.0 (1,276.7)	(139.7)(b) 72.4 (b)	2,313.3 (1,204.3)
Net property, plant and equipment	1,176.3	(67.3)	1,109.0
Goodwill and other assets	152.9	353.9 (c)	506.8
TOTAL ASSETS	\$ 2,587.1 =====	\$ 336.9 =====	\$ 2,924.0 =====
 LIABILITIES AND STOCKHOLDERS' EQUITY			
Current portion of long-term debt	\$ 21.7	\$	\$ 21.7
Short-term notes payable	41.5		41.5
Accounts payable and accrued liabilities	225.4	4.0 (b)(d)	229.4
Current portion of contingency reserves	40.0		40.0
Total current liabilities	328.6	4.0	332.6
Long-term debt, excluding current portion:	630.8		630.8
Contingency Reserves	168.3	14.7 (d)	183.0
Deferred income taxes and other	205.8	116.7 (e)	322.5
Stockholders' equity:	1,253.6	201.5 (e)	1,455.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,587.1 =====	\$ 336.9 =====	\$ 2,924.0 =====

See notes to unaudited proforma condensed consolidated financial information.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
 INCOME STATEMENT  
 FOR THE YEAR ENDED DECEMBER 31, 1997  
 (In millions, except per share data)

	ACTUAL	PRO FORMA ADJUSTMENTS	PRO FORMA
NET SALES	\$ 2,402.5	\$ (225.2)(a)	\$ 2,177.3
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COSTS AND EXPENSES:			
Cost of sales	2,138.7	(196.0)(a)	1,942.7
Depreciation, amortization and depletion	183.9	(7.2)(a)	176.7
Selling and administrative	168.4	(3.0)(a)	165.4
Settlements and other unusual items, net	32.5		32.5
Interest expense	30.9		30.9
Interest income	(1.9)	(24.8)(b)	(26.7)
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Total costs and expenses	2,552.5	(231.0)	2,321.5
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Income (loss) before taxes and minority interest	(150.0)	5.8	(144.2)
Provision (benefit) for income taxes	(43.6)	2.2 (c)	(41.4)
Minority interest in income (loss) of consolidated subsidiaries	(4.6)		(4.6)
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NET INCOME (LOSS)	\$ (101.8)	\$ 3.6	\$ (98.2)
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NET INCOME (LOSS) PER SHARE BASIC AND DILUTED	\$ (0.94)		\$ (0.91)
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AVERAGE SHARES OF COMMON STOCK OUTSTANDING (THOUSANDS)	108,450		108,450
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See notes to unaudited proforma condensed consolidated financial information.

LOUISIANA-PACIFIC CORPORATION  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
 INCOME STATEMENT  
 THREE MONTHS ENDED MARCH 31, 1998  
 (In millions, except per share data)

	ACTUAL	PRO FORMA ADJUSTMENTS	PRO FORMA
	-----	-----	-----
NET SALES	\$ 548.3	\$ (43.8)(a)	\$ 504.5
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COSTS AND EXPENSES:			
Cost of sales	500.3	(35.3)(a)	465.0
Depreciation, amortization and depletion	39.5	(1.7)(a)	37.8
Selling and administrative	39.7	(0.8)(a)	38.9
Settlements and other unusual items, net	-		-
Interest expense	9.7		9.7
Interest income	(2.1)	(6.2)(b)	(8.3)
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Total costs and expenses	587.1	(44.0)	543.1
	-----	-----	-----
Income (loss) before taxes and minority interest	(38.8)	0.2	(38.6)
Provision (benefit) for income taxes	(12.5)	0.1(c)	(12.4)
Minority interest in income (loss) of consolidated subsidiaries	(1.2)		(1.2)
	-----	-----	-----
NET INCOME (LOSS)	\$ (25.1)	\$ 0.1	\$ (25.0)
	=====	=====	=====
NET INCOME (LOSS) PER SHARE BASIC AND DILUTED	\$ (0.23)		\$ (0.23)
	=====		=====
AVERAGE SHARES OF COMMON STOCK OUTSTANDING (THOUSANDS)	108,990		108,990
	=====		=====

See notes to unaudited proforma condensed consolidated financial information.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

1. ASSUMPTIONS

The Unaudited Pro Forma Condensed Consolidated Balance Sheet at March 31, 1998 is presented as if the sale of L-P's California redwood timberlands and associated sawmill manufacturing and distribution operations in Northern California to third party buyers for total consideration of approximately \$610 million, including \$353.9 million of promissory notes from Simpson Timber Company, occurred on March 31, 1998. The Unaudited Pro Forma Condensed Consolidated Income Statements for the year ended December 31, 1997 and the three months ended March 31, 1998 are presented as if each of those same transactions occurred on January 1, 1997. The subsequent issuance of senior debt of \$348.6 million at a weighted average interest rate of 7% maturing in varying amounts between 2006 and 2018 in a private placement and the investment of cash proceeds from the asset sale and debt issuance in marketable investments are not reflected in the pro forma information.

The Simpson promissory notes mature in varying amounts between June 30, 2006 and June 30, 2018. The weighted average interest rate of the notes is 7%.

2. PRO FORMA ADJUSTMENTS - BALANCE SHEET

The following adjustments have been made to the Unaudited Pro Forma Condensed Consolidated Balance Sheet:

- (a) Adjustment to reflect the increase in cash and cash equivalents due to the cash proceeds resulting from the sale of the assets net of certain closing costs.
- (b) Adjustment to reflect the retirement of the net book value of accounts receivable, inventories, prepaid expenses, accounts payable, timber and timberlands and property, plant and equipment and related accumulated depreciation sold in the transaction.
- (c) Adjustment to reflect the receipt of promissory notes from Simpson Timber Company.
- (d) Adjustment to reflect the accrual of expenses related to the sale of assets as well as certain liabilities arising from the sale for which responsibility has been retained by L-P.
- (e) Adjustments to reflect the gain on the sale of assets and the related tax liabilities thereon.

3. PRO FORMA ADJUSTMENTS - INCOME STATEMENTS

The following adjustments have been made to the Unaudited Pro Forma Condensed Consolidated Income Statements:

- (a) Adjustment to reflect the reduction in net sales, cost of sales, depreciation, depletion and amortization and selling and administrative costs due to the sale of assets and operations.

- (b) Adjustment to reflect interest income from the Simpson promissory notes.
- (c) Adjustment to reflect the effect of taxes related to the above transactions.



SIGNATURE

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

DATED: July 15, 1998

LOUISIANA-PACIFIC CORPORATION

By: /s/ Curtis M. Stevens  
Curtis M. Stevens  
Vice President, Chief Financial  
Officer and Treasurer

EXHIBIT INDEX

- 2.1 Purchase Agreement by and between the registrant, LPS Corporation, L-P Redwood, LLC, Louisiana-Pacific Samoa, Inc., and Simpson Timber Company and Simpson Investment Company dated as of May 1, 1998. Incorporated by reference to Exhibit 2.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998.
- 2.2 Purchase Agreement by and between the registrant, LPS Corporation, L-P Redwood, LLC, and Sansome Forest Partners, L.P., dated as of May 1, 1998. Incorporated by reference to Exhibit 2.2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998.
- 99 Louisiana-Pacific Corporation Press Release issued June 30, 1998.

LOUISIANA-PACIFIC  
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NEWS RELEASE

Release No. 124-6-8  
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#### LOUISIANA-PACIFIC FINALIZES SALE OF CALIFORNIA ASSETS

(Portland, Ore; June 30, 1998) -- Louisiana-Pacific Corp. (NYSE: LPX) today announced that it has completed the previously announced sales of its 300,000 acres of redwood timberlands, associated sawmill, manufacturing and distribution operations in Northern California in two separate transactions to Simpson Investment Company and Sansome Forest Partners, L.P., and its subsidiaries.

"Closing these sales represents a significant step toward completing the divestiture of Louisiana-Pacific's non-strategic assets," said Mark A. Suwyn, L-P's chairman and CEO. "The financial resources available through these sales allows us to rapidly advance our goals. This is good news for the customers, shareholders, and employees of L-P."

The California sales bring total proceeds to date from asset sales associated with the company's restructuring plan to over three-quarters of a billion dollars. The funds will provide the company with significant flexibility to grow and improve its core businesses in the building products market through internal investments in existing businesses, acquisitions, and reduction of debt or implementation of a share repurchase program.

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Louisiana-Pacific, now in its 25th year, is a major building products company headquartered in Portland, Oregon with manufacturing facilities throughout the United States and in Canada and Ireland.

#### Forward Looking Statements

Some statements in this document may constitute forward-looking statements within the meaning of the federal securities laws. Forward looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of futures costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or plans for product development. Investors are cautioned that forward looking statements are subject to an inherent risk that actual results may vary materially from those described herein. Factors that may result in such variance, in addition to those set forth under the above captions, include changes in interest rates, commodity prices, and other economic conditions; actions by competitors, changing weather conditions and other natural phenomena; actions by government authorities; uncertainties associated with legal proceedings; technological developments; future decisions by management in response to changing conditions; and misjudgments in the course of preparing forward looking statements.

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