

Louisiana-Pacific Corporation

Q4 2005 Financial Results

February 6, 2006

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on February 6, 2006 relating to LP's financial condition and results of operations as of and for the quarter ended December 31, 2005. 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 6, 2006.

Forward Looking Statement

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

Dollars in millions, except per share amounts

| | Quarter Ended | | |
|--|----------------------|-----------------------|----------------------|
| | December 31, 2005 | September 30, 2005 | December 31, 2004 |
| Net sales | \$ 624 | \$ 621 | \$ 564 |
| Income from continuing operations | \$ 91 | \$ 176 | \$ 17 |
| Income (loss) from discontinued operations | \$ (5) | \$ (8) | \$ (3) |
| Cumulative effect of change in accounting | \$ (1) | \$ - | \$ - |
| Net income | \$ 85 | \$ 168 | \$ 14 |
| Diluted EPS from continuing operations | \$ 0.86 | \$ 1.61 | \$ 0.15 |
| Diluted EPS | \$ 0.80 | \$ 1.53 | \$ 0.12 |

Reconciliation of Special Items

| | <u>Q4 '05</u> | <u>Q3 '05</u> | <u>Q4 '04</u> |
|---|---------------|---------------|---------------|
| Income (loss) from continuing operations | \$ 91 | \$ 176 | \$ 17 |
| Less "special items": | | | |
| (Gain) loss on sale or impairment of long-lived assets | 2 | 1 | 6 |
| Other operating credits and charges | 5 | - | 4 |
| Loss on early extinguishment of debt | 1 | | - |
| | <u>8</u> | <u>1</u> | <u>10</u> |
| Provision (benefit) for income taxes | 3 | - | 4 |
| After tax effect of "special items" | 5 | 1 | 6 |
| Reversal of tax liabilities due to repatriation | <u>(3)</u> | <u>(102)</u> | <u>-</u> |
| Adjusted income from operations excluding "special items" | <u>\$ 93</u> | <u>\$ 75</u> | <u>\$ 23</u> |
| Adjusted income from operations excluding "special items" per diluted share | \$ 0.87 | \$ 0.68 | \$ 0.21 |

Financial Results – YTD

Dollars in millions, except per share amounts

| | Year Ended December 31, | |
|--|-------------------------|----------|
| | 2005 | 2004 |
| Net sales | \$ 2,599 | \$ 2,731 |
| Income from continuing operations | \$ 476 | \$ 420 |
| Income (loss) from discontinued operations | \$ (19) | \$ 1 |
| Cumulative effect of change in accounting | \$ (1) | \$ - |
| Net income | \$ 456 | \$ 421 |
| | | |
| Diluted EPS from continuing operations | \$ 4.34 | \$ 3.84 |
| Diluted EPS | \$ 4.15 | \$ 3.84 |

YTD Reconciliation of Special Items

| | <u>Year Ended December 31,</u> | |
|---|--------------------------------|---------------|
| | <u>2005</u> | <u>2004</u> |
| Income (loss) from continuing operations | \$ 476 | \$ 420 |
| Less “special items”: | | |
| (Gain) loss on sale or impairment of long-lived assets | 3 | 21 |
| Other operating credits and charges | 6 | 29 |
| Loss on early extinguishment of debt | 1 | 42 |
| | <u>10</u> | <u>92</u> |
| Provision (benefit) for income taxes | 4 | 36 |
| After tax effect of “special items” | 6 | 56 |
| Reversal of tax liabilities due to repatriation | (94) | - |
| Adjusted income from operations excluding “special items” | <u>\$ 388</u> | <u>\$ 476</u> |
| Adjusted income from operations excluding “special items” per diluted share | \$ 3.54 | \$ 4.35 |

Tax Rate Reconciliation

| | Quarter Ended December 31, | | | |
|-----------------------------|----------------------------|-----------------|----------------------|-----------------|
| | 2005 | | 2004 | |
| | <u>Tax Provision</u> | <u>Tax Rate</u> | <u>Tax Provision</u> | <u>Tax Rate</u> |
| Continuing operations | \$ 16.2 | 16% | \$ 36.7 | 68% |
| Effect of Repatriation | (3.3) | | - | |
| | 12.9 | | 36.7 | |
| Discontinued operations | (2.5) | 33% | (2.1) | 39% |
| Effect of Accounting Change | (0.7) | 39% | - | |
| | <u>\$ 9.7</u> | 10% | <u>\$ 34.6</u> | 72% |

| | Year Ended December 31, | | | |
|-----------------------------|-------------------------|-----------------|----------------------|-----------------|
| | 2005 | | 2004 | |
| | <u>Tax Provision</u> | <u>Tax Rate</u> | <u>Tax Provision</u> | <u>Tax Rate</u> |
| Continuing operations | \$ 155.6 | 29% | \$ 277.5 | 40% |
| Effect of Repatriation | (94.3) | | - | |
| | 61.3 | | 277.5 | |
| Discontinued operations | (11.5) | 37% | 0.2 | 38% |
| Effect of Accounting Change | (0.7) | 39% | - | |
| | <u>\$ 49.1</u> | 10% | <u>\$ 277.7</u> | 40% |

Oriented Strand Board (OSB)

| | <u>Q4 '05</u> | <u>Q3 '05</u> | <u>Q4 '04</u> | CHANGE FROM | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | <u>Q3 '05</u> | <u>Q4 '04</u> |
| Sales | \$ 387 | \$ 353 | \$ 320 | 10% | 21% |
| Profit ^a | \$ 112 | \$ 99 | \$ 68 | 13% | 65% |
| DDA | \$ 22 | \$ 22 | \$ 26 | | |
| <u>Volume</u> | | | | (5%) | (2%) |
| <u>Price</u> | | | | 15% | 25% |

^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

| | <u>Q4 '05</u> | <u>Q3 '05</u> | <u>Q4 '04</u> | CHANGE FROM | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | <u>Q3 '05</u> | <u>Q4 '04</u> |
| Sales | \$ 104 | \$ 129 | \$ 104 | (19%) | 0% |
| Profit ^a | \$ 5 | \$ 17 | \$ 7 | (71%) | (29%) |
| DDA | \$ 4 | \$ 4 | \$ 4 | | |
| <u>Volume</u> | | | | | |
| Smart Side | | | | (27%) | (10%) |
| Hardboard | | | | (13%) | (6%) |
| <u>Price</u> | | | | | |
| Smart Side | | | | (3%) | 4% |
| Hardboard | | | | 2% | 17% |

^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 (EWP)

| | CHANGE FROM | | | | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Q4 '05</u> | <u>Q3 '05</u> | <u>Q4 '04</u> | <u>Q3 '05</u> | <u>Q4 '04</u> |
| Sales | \$ 101 | \$ 101 | \$ 103 | 0% | (2%) |
| Profit ^a | \$ 9 | \$ 8 | \$ 4 | 13% | 125% |
| DDA | \$ 4 | \$ 4 | \$ 4 | | |
| <u>Volume</u> | | | | | |
| I-Joist | | | | (3%) | 0% |
| LVL | | | | 0% | (13%) |
| <u>Price</u> | | | | | |
| I-Joist | | | | 3% | 11% |
| LVL | | | | 0% | 10% |

^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 Building Products

| | <u>Q4 '05</u> | <u>Q3 '05</u> | <u>Q4 '04</u> | CHANGE FROM | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | <u>Q3 '05</u> | <u>Q4 '04</u> |
| Sales | \$ 35 | \$ 40 | \$ 39 | (12%) | (9%) |
| Profit ^a | \$ 1 | \$ 1 | \$ 5 | 0% | (86%) |
| DDA | \$ 3 | \$ 2 | \$ 2 | | |
| <u>Volume</u> | | | | | |
| Decking | | | | (22%) | (8%) |
| Moulding | | | | 16% | 2% |
| <u>Price</u> | | | | | |
| Decking | | | | (1%) | (3%) |
| Moulding | | | | (5%) | (13%) |

^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 & Other Statistics

(in millions, except per share amounts)

| | <u>December 31, 2005</u> | <u>December 31, 2004</u> |
|---|--------------------------|--------------------------|
| Total cash and investments | \$ 1,395 | \$ 1,249 |
| Working capital | \$ 1,451 | \$ 1,164 |
| Net cash and investments | \$ 968 | \$ 845 |
| Capital expenditures YTD (includes investments in JVs) | \$ 258 | \$ 180 |
| Depreciation, amortization and cost of timber harvested (continuing operations) | \$ 133 | \$ 141 |
| Book value per share | \$ 19.31 | \$ 16.05 |

See appendix for reconciliations

Appendix

| | December 31, | |
|--|-----------------|-----------------|
| | 2005 | 2004 |
| <u>Calculation of "Working Capital"</u> | | |
| Current assets | \$ 1,797 | \$ 1,604 |
| Current liabilities | (346) | (440) |
| Working capital | <u>\$ 1,451</u> | <u>\$ 1,164</u> |
| <u>Calculation of "Net Cash and Investments"</u> | | |
| Long-term debt | \$ (736) | \$ (623) |
| Current portion of long term debt | (18) | (178) |
| Current portion of limited recourse debt | (70) | - |
| Notes receivable from assets sales | 397 | 397 |
| Total cash and investments | <u>1,395</u> | <u>1,249</u> |
| Net cash and investments | <u>\$ 968</u> | <u>\$ 845</u> |
| <u>Calculation of "Total Cash and Investments"</u> | | |
| Cash and cash equivalents | \$ 608 | \$ 545 |
| Short term investments | 717 | 608 |
| Restricted cash | 56 | 66 |
| Long-term investments | 14 | 30 |
| Total cash and investments | <u>\$ 1,395</u> | <u>\$ 1,249</u> |