

The logo consists of the letters 'LP' in a bold, white, sans-serif font, with a registered trademark symbol (®) to the right of the 'P'. The logo is set against a dark blue background.

**BUILDING PRODUCTS**



# **Louisiana-Pacific Corporation**

## **Investor Presentation**

**June 2012**

**BUILD WITH US.®**

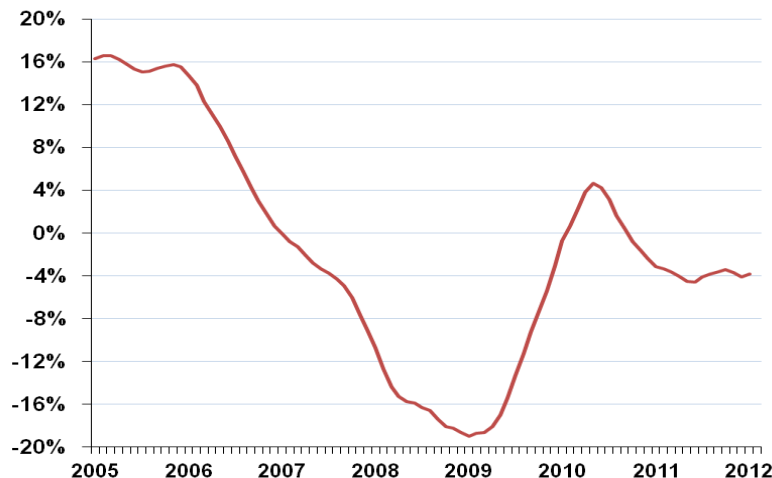
## Forward-Looking Statements

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.

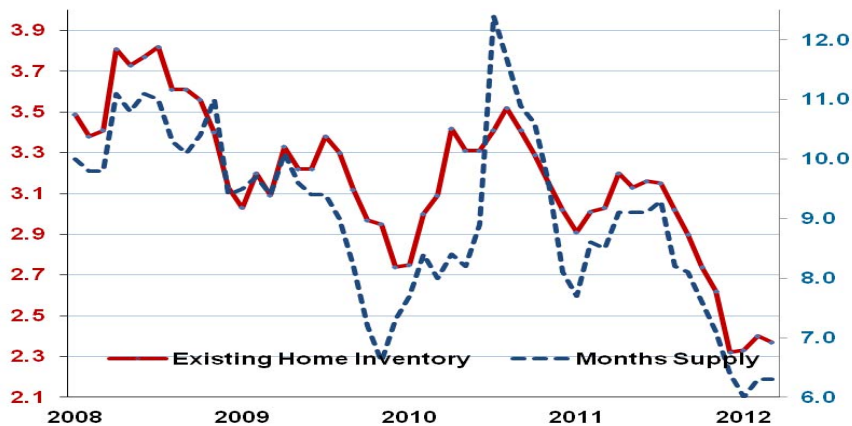
# Market Outlook – New Housing Demand

- Short-term ... what is happening?
  - Reduction in the vacant units for sale
  - Stabilization of home prices
  - Lower foreclosure backlog

**S&P Case Schiller Home Price Index**



**Existing Home Inventory**



**New and Existing Home Sales**



# Market Outlook – New Housing Demand

- Short-term ... what needs to happen?
  - Reasonable credit environment
    - Historically low mortgage rates
    - Cautious lenders; low appraisals
    - Financing availability for small / medium builder projects improving
  - Improved employment
    - Job growth
    - Economy growing

Number of U.S. Jobs Created/Lost (000)



# Market Outlook – New Housing Demand

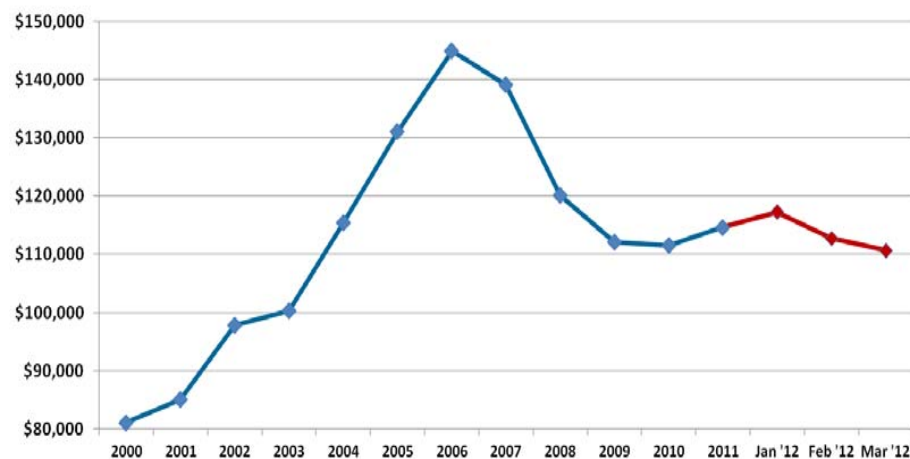
- Mid-term ... economic recovery fuels turnaround
  - Housing forecasts for remainder of 2012 / 2013 show modest increases
  - Job growth which will lead to household formation is key
  - Cost of ownership lower than rental in many markets
  
- Long-term ... A return to normalized housing starts
  - Positive long-term trends and demographics including: household formations, immigration, and low interest rates
  - New housing starts should return to the 1.5 million level based on demographics\*
  - The questions still seem to be “when?” and “how fast?”

\* Source: The State of the Nation's Housing – 2011, *Joint Center for Housing Studies of Harvard University*

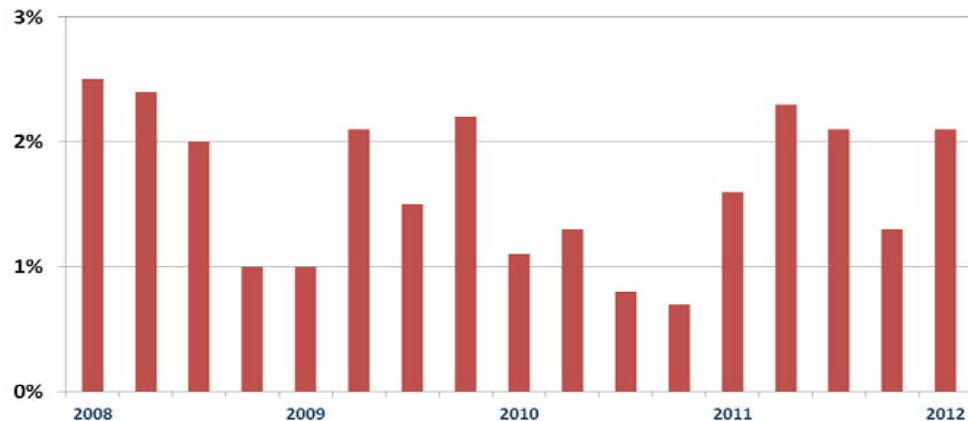
# Market Outlook – Other Demand

- Repair / remodel demand has started to recover
  - Owner – occupied improvements higher
  - Consumer spending up
- Commercial and light industrial construction edging higher
- Emerging export opportunities – but pricing can be problematic

## Residential Remodeling



## Personal Consumption Expenditures



# A Leader in its Markets



## OSB

- # 1 producer of OSB in North America
- Top North American producer positioned to compete in all geographic markets
- Competitive delivered cost
- Largest number of OSB mills in North America with 5.8 bsf
- Leading producer of value added OSB



## Siding

- # 1 producer of engineered wood siding
- 6 Siding plants with 1,320 million square feet capacity
- Diversified end markets with stable pricing
- Strong retail presence
- Competitive installed cost



## Engineered Wood Products

- # 3 producer in North America
- # 1 producer of solid sawn I-joist
- A leading supplier to two-step distribution
- 2 LVL and 1 LSL plant with 16.4 mm cubic feet capacity
- 1 I-joist plant with 80 mm lineal feet capacity
- Two JVs with 140 mm lineal feet of I-joist capacity

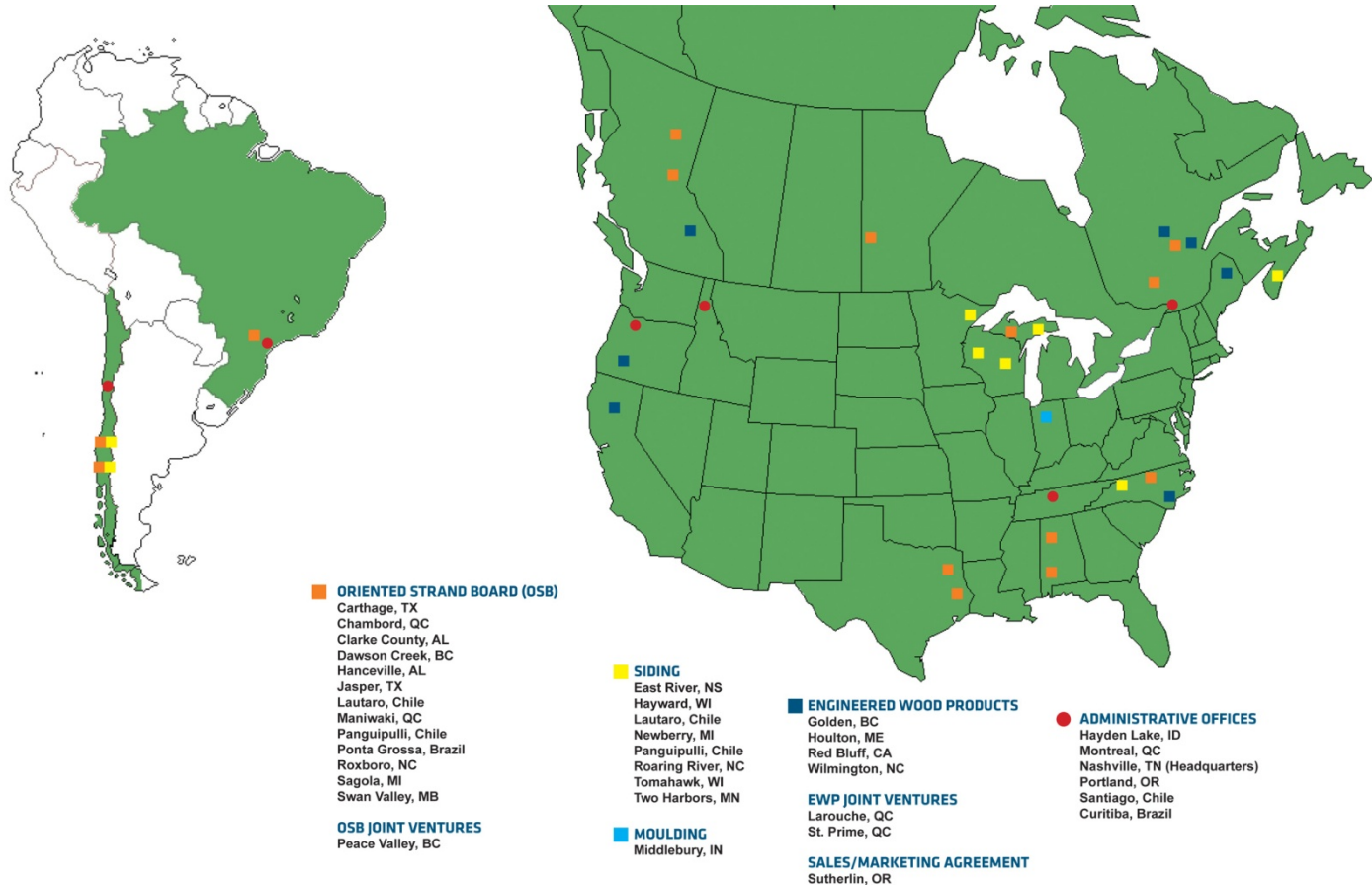


## South America

- Only producer of OSB in South America
- 2 OSB plants in Chile with 290 mm square feet capacity
- 1 OSB plant in Brazil with 390 mm square feet capacity
- Growing demand for wood based residential construction

# Strategically Located Facilities

Strategic location of plants drives efficient order-fulfillment, shipping and distribution of finished products





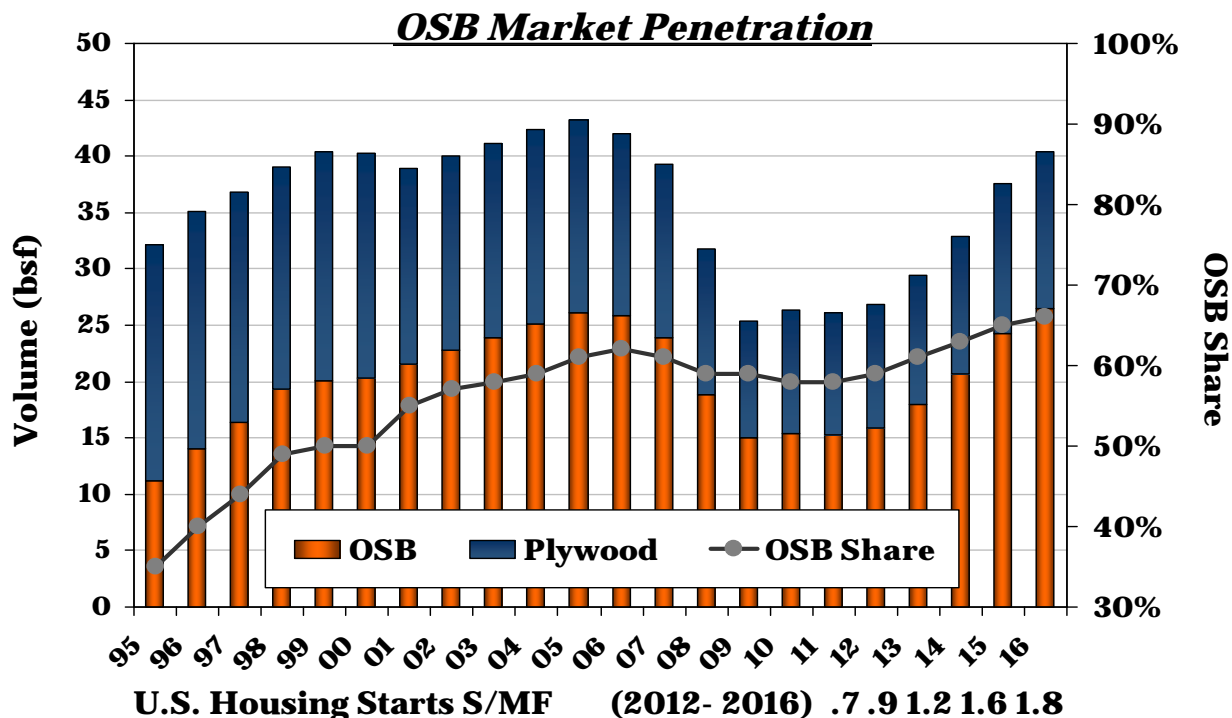
# Attractive OSB Outlook Driven By Strong Fundamentals

## Key Drivers of OSB Demand

- OSB substitution for plywood
- New residential construction
- Repair/remodeling
- Industrial/light commercial
- Export

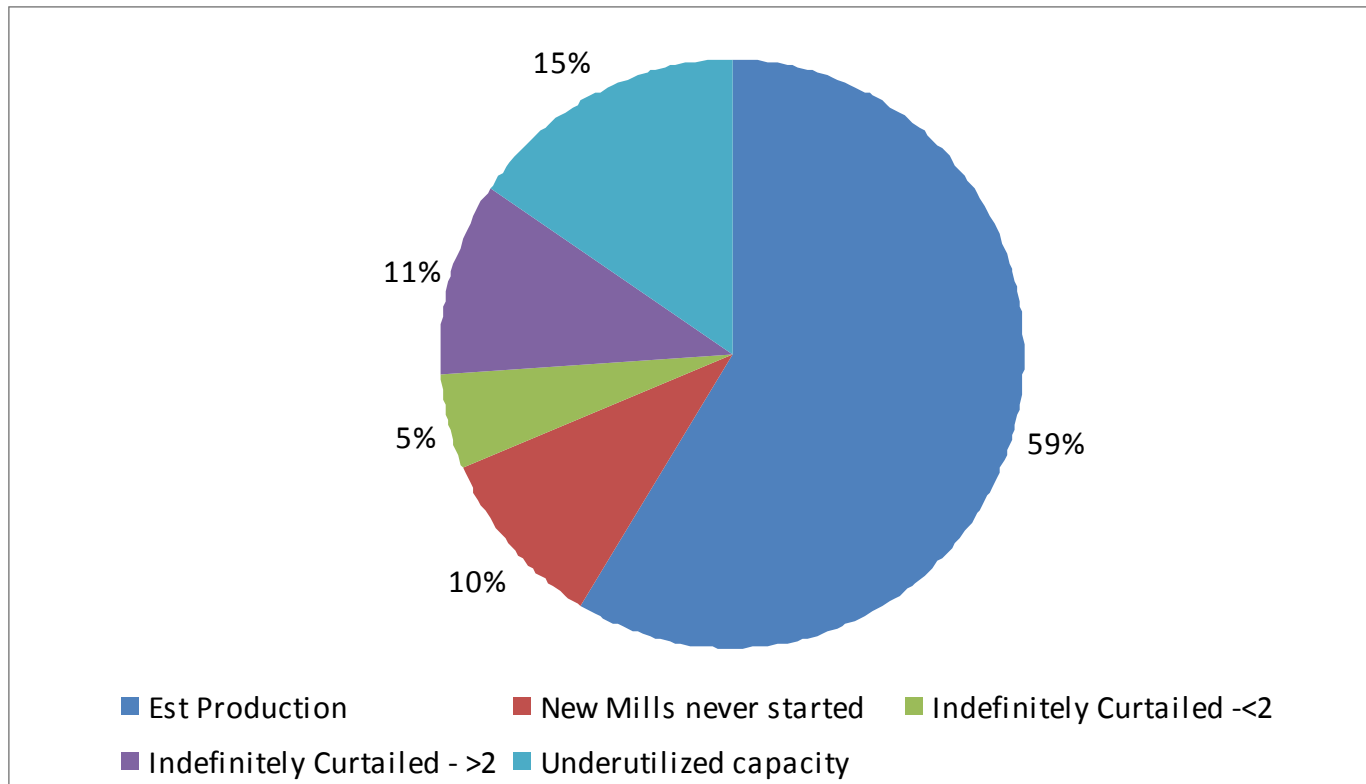
## LP Key Strategies

- Balance regional LP supply and demand
- Provide competitive delivered cost
- Deliver superior quality and service
- Grow value-added OSB



Source: FEA Quarterly Wood Panels 5 Year Forecast March 2012

# OSB Industry Capacity – 25 Bsf



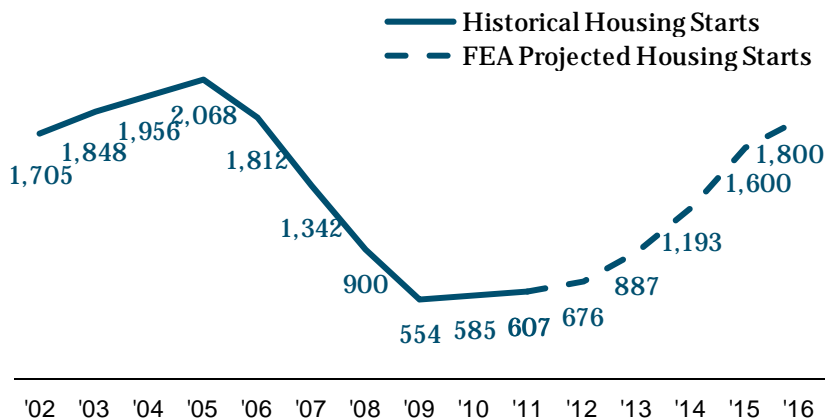
- Current operating capacity of 19 bsf produced 15 bsf in 2011

Source: APA, Forest Economic Advisors (FEA) and Company estimates

# Significant Operating Leverage, Positioned for Demand Recovery – OSB

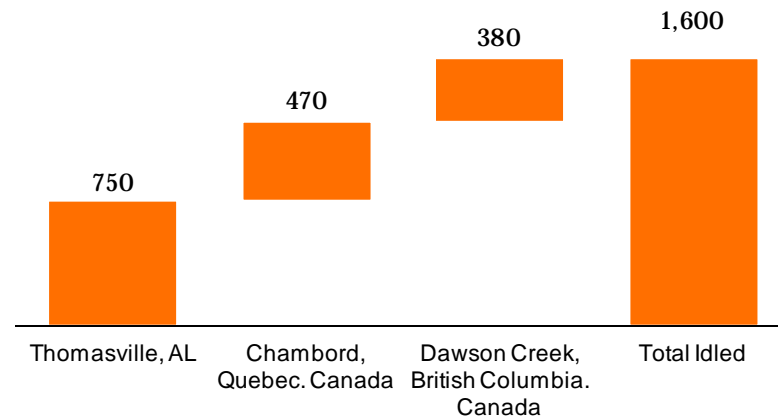
*(housing starts in thousands)*

## Upside from Projected Housing Start Rebound



*(capacity in million sq feet)*

## Additional Capacity from Idled OSB Facilities



- Current utilization rates allow for rapid fulfillment of increased 1 bsf at marginal cost to LP
- Idled facilities provide incremental capacity to meet demand in later stages of the recovery
- Our facilities are state-of-the-art, having invested significant capital expenditures in the period prior to 2007 (\$750 million cumulative capex from 2005 to 2007)
  - Strategic location and competitive delivered cost further enhance our ability to capture upside

Source: Company filings, historical total housing starts per National Association of Home Builders (NAHB) and housing start forecasts per Forest Economic Advisors (FEA) as of March 2012

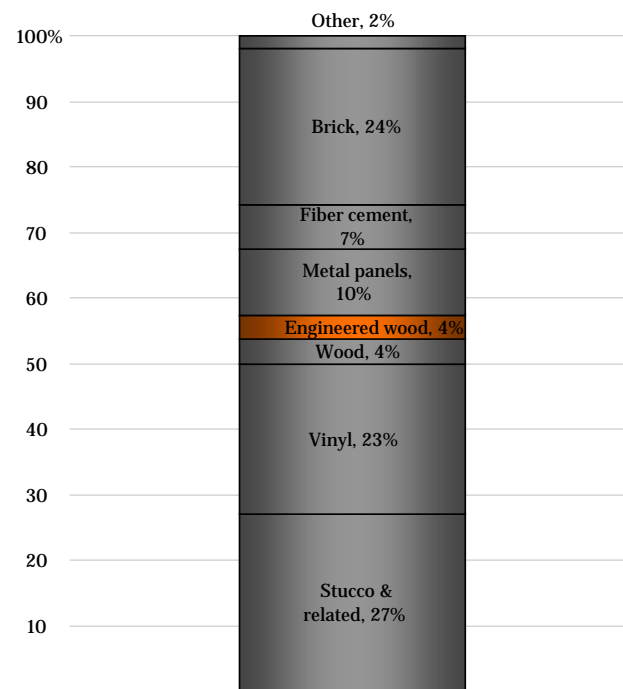
# SmartSide to Leverage Strong Presence in Niche Market into Broader Share Gains

## Strong Stability

- LP currently has 75%+ share of the \$400 million engineered wood siding sub-sector
- Revenues and operating income for Siding division less sensitive to changes in housing starts due to diversity of end markets
- Opportunity to grow total available market to ~\$3 billion as engineered wood siding continues to displace fiber cement, vinyl and wood



## Growth Market Opportunity: Capturing Share from Wood, Fiber cement, and Vinyl



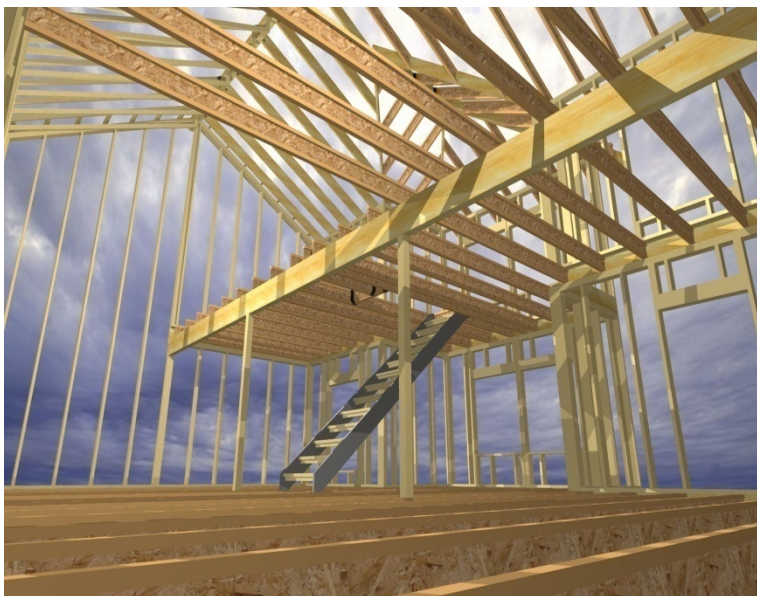
**Total 2009 Siding Market: \$7.5bn  
(Normalized: \$11bn)**

Note: Market size includes non-residential applications and trim

# Ongoing Displacement of Lumber by EWP Provides Significant Growth Potential

## The “LP EWP House”

### A Quality Alternative to Lumber

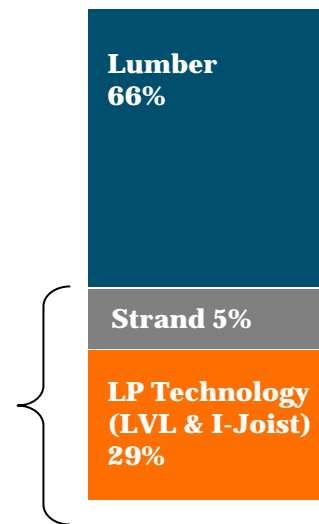


- EWP offers superior technology over traditional lumber
  - Potential for EWP to capture half of traditional lumber market
- Significant room for additional displacement exists
- Continue international and non-residential growth

## Total North American EWP Potential Market

SCL & I-Joist: ~5 BBF (1)

Current EWP Market:

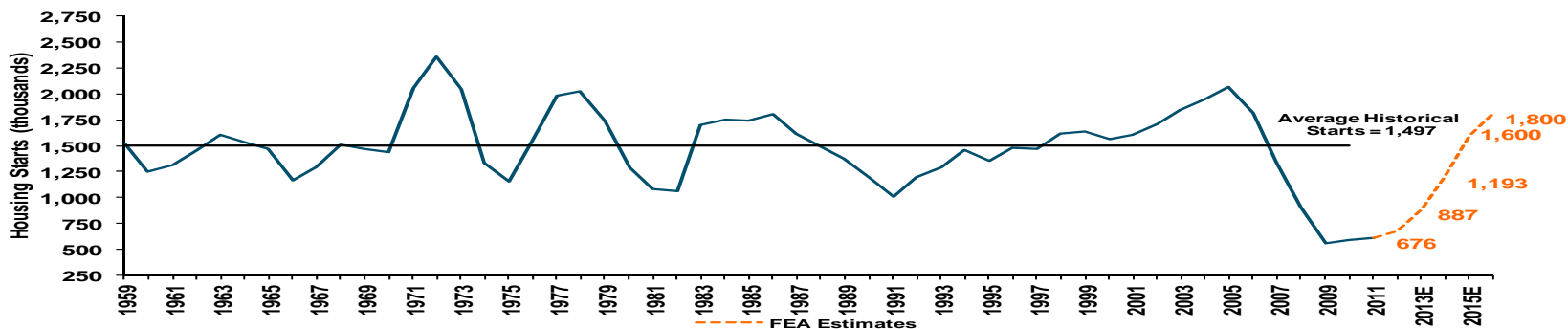


Source: APA -The Engineered Wood Association, I-Joist Market Report (August 2011), APA - Beam & Header Use in U.S., Residential Construction through 2010 (September 2011), and APA – The Engineering Wood Association, Beam and Header Market Report (September 2011)

<sup>1</sup> Volume based on 1 million housing starts.

# LP Positioned for Upside When Market Recovers

- **A Leading Participant in the Housing Upturn**
  - Significant capacity to meet future demand in all segments
  - Higher LP sales \$s per start
  - Enhanced productivity
- **Upside Opportunity**
  - Large, stable, growing specialty offering
  - Important supplier to repair and remodel market
  - Geographic diversification
- **Strategy Until Recovery**
  - Maintain a strong balance sheet and conserve cash
  - Run operations to meet available demand
  - Remain supplier of choice in our markets



Source: Historical housing starts per NAHB and housing start forecasts per Forest Economic Advisors (FEA) as of March 2012