

Louisiana - Pacific Corporation
Investor Presentation
Goldman
Basic Industries Conference
May 16th, 2005

Forward Looking Statements

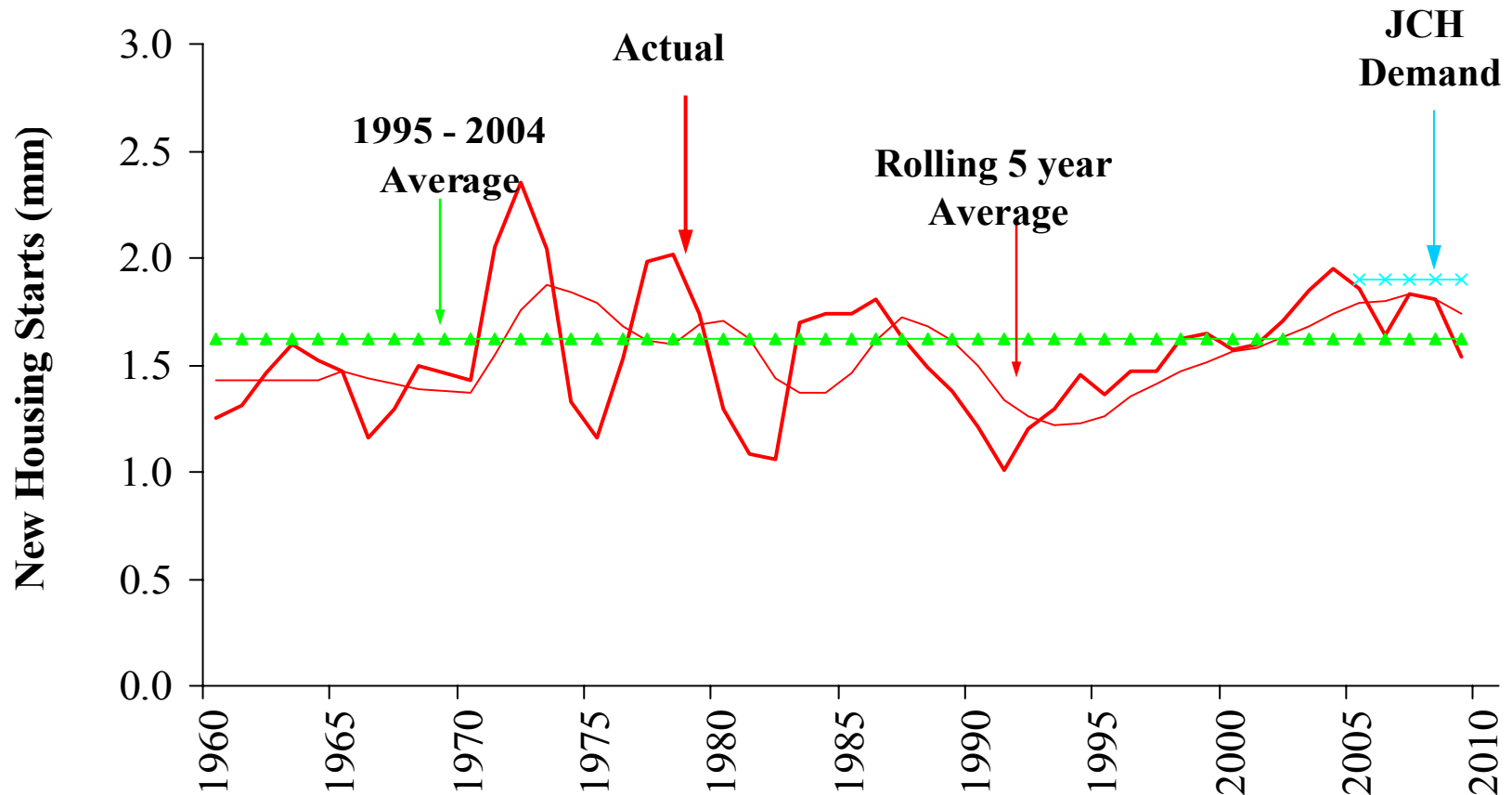
This presentation contains statements concerning Louisiana-Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties 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 – Demand

- **New construction housing demand:**
 - Positive trends and demographics including: household formations, immigration, low interest rates
 - Sustainable at 1.85 – 1.95 million starts per year (2005-2015)
Source: The State of the Nation's Housing – 2004, Joint Center for Housing Studies of Harvard University
 - Manufactured housing has been down but recovering
- **Repair / remodel demand continues to grow:**
 - More houses in the existing stock
 - Homes are getting older
 - Rise of “big box retailers” makes access easy
 - Availability of “installed sales”
- **Commercial and light industrial on upward trend**

Home Building Demand Indicators

Housing Starts (single and multi-family)



Source: US Department of Commerce, RISI and the State of the Nation's Housing – 2004, Joint Center for Housing Studies of Harvard University (JCH)

Forecast 3

Marketplace Dynamics – Customers

- **Consolidation of customers and end-users will continue:**
 - “Big boxes” ... price pressure, margin compression, electronic business systems and demand for more services
 - Builders ... consistent pricing, logistics support, ease of use
 - Pro dealers ... price pressure, locked-in pricing, branded products, “pull-through” marketing
- **Key implications for LP:**
 - Improve cost positions to lowest quartile ... Drive capital for cost reductions, add greenfield capacity, and smart acquisitions
 - Participate in multiple channels to best meet customer’s needs
 - Most efficient supply chain / logistics ... delivered cost is what matters
 - Influence / participate in forward integration

LP's Newly Aligned Business Segments

OSB

- Commodity panels
- Tech Shield
- Flooring

Siding

- SmartSide OSB siding
- Vinyl siding
- Exterior Hardboard siding

Engineered Wood Products

- Laminated veneer lumber
- I - Joist

Other Building Products

- Composite Decking
- Moulding
- Chile OSB
- U.S. Greenfiber

Business Characteristics

- Commodity – OSB:
 - Primarily new construction
 - Price volatility
 - Traded daily
 - Cost is king
 - Demand / capacity management critical
- Specialty – EWP, Siding, Other:
 - Relatively stable pricing
 - “Demand creation” versus “trading”
 - Ongoing new product development to satisfy customer needs
 - Higher SG&A
 - Channel partners critical to success

Oriented Strand Board (OSB)



- #1 North American OSB producer with about 25% market share ... about 15% share of structural panels
- Best geographic coverage allows for lowest delivered cost
- Growth through existing mill investments and new mills

Mill capacities:

13 mills – 5.8 billion square feet

OSB Investment Priorities

- Brownfield plan - \$250 million investment in existing mills
- Greenfield “opportunities:
 - Canada – British Columbia ... Canfor-LP JV (800 mmsf) under construction ... startup Q4 2005
 - Alabama ... site selected and planning underway for a 700 mmsf mill with start-up in late 2007
 - South America (Chile) ... potential use of a “mothballed” mill
- Acquire competitive facilities “at the right price”

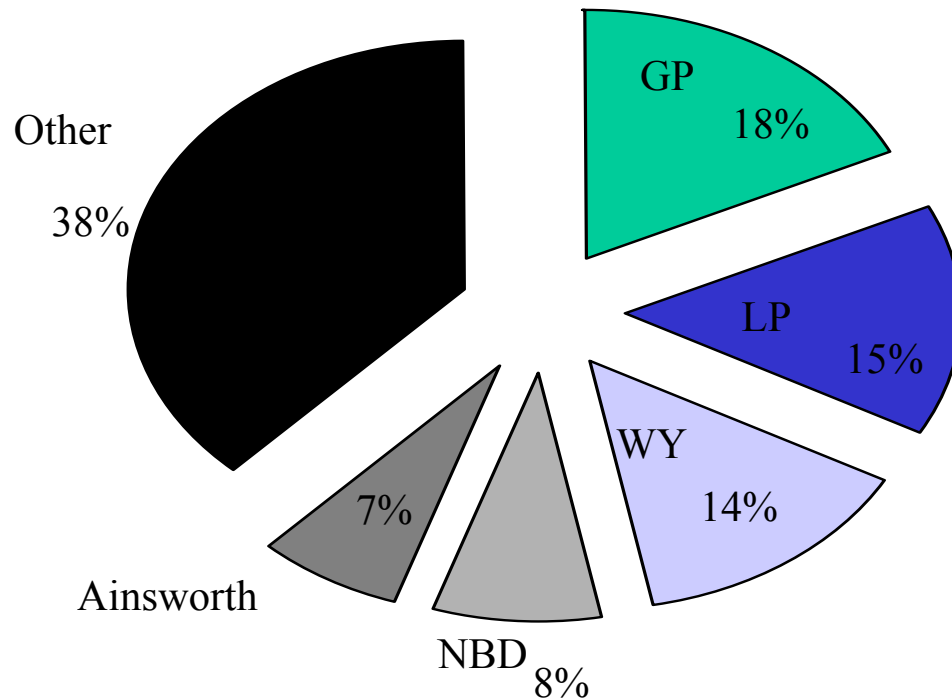
OSB – Build or Buy?

- **Why Build?**
 - Least expensive alternative
 - Cost leaders
 - Leading edge technology
 - Log & markets: If you don't, someone else will (voids are always filled)
 - Lowers overall COS
 - *\$275-\$325
- **Why Buy (Consolidate)?**
 - Grow market share
 - Buy existing customer base
 - Buy knowledge
 - Captures raw materials
 - Immediate contribution
 - *\$325-\$450

*USD per 1,000 msf 3/8"

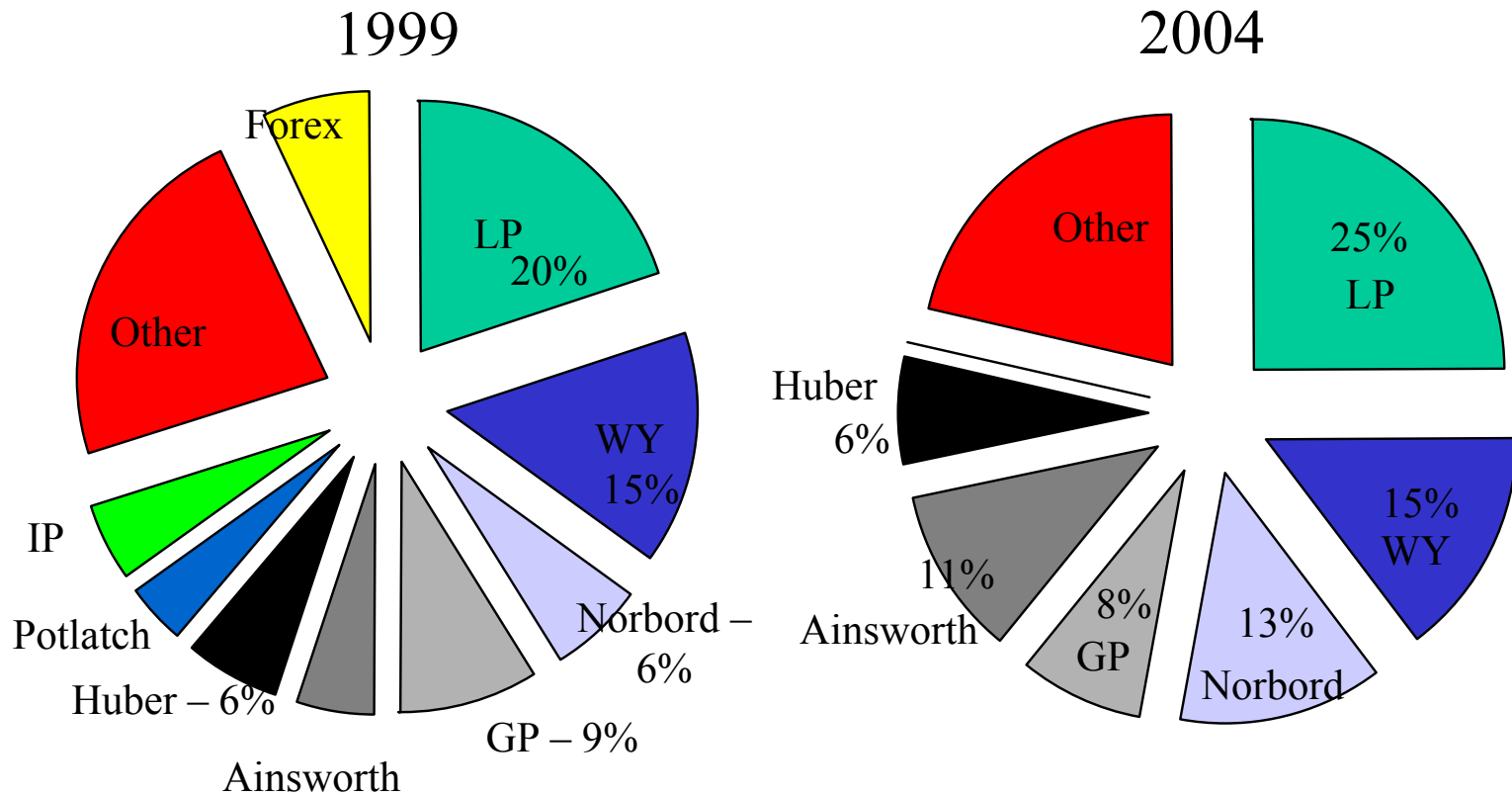
North America Structural Panel Manufacturers

2004



Source: RISI

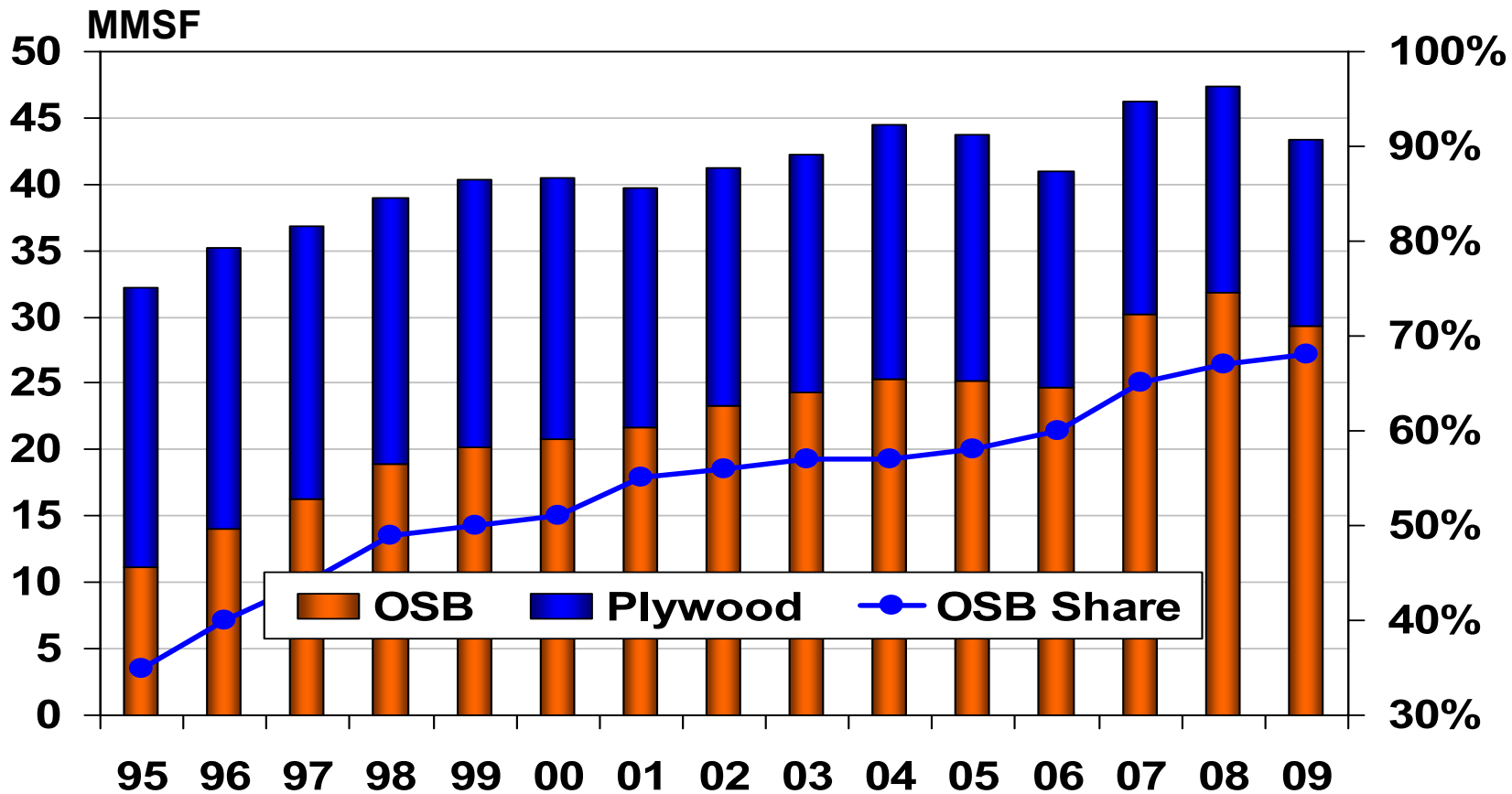
OSB Market Share



Source: RISI

Structural Panel Demand

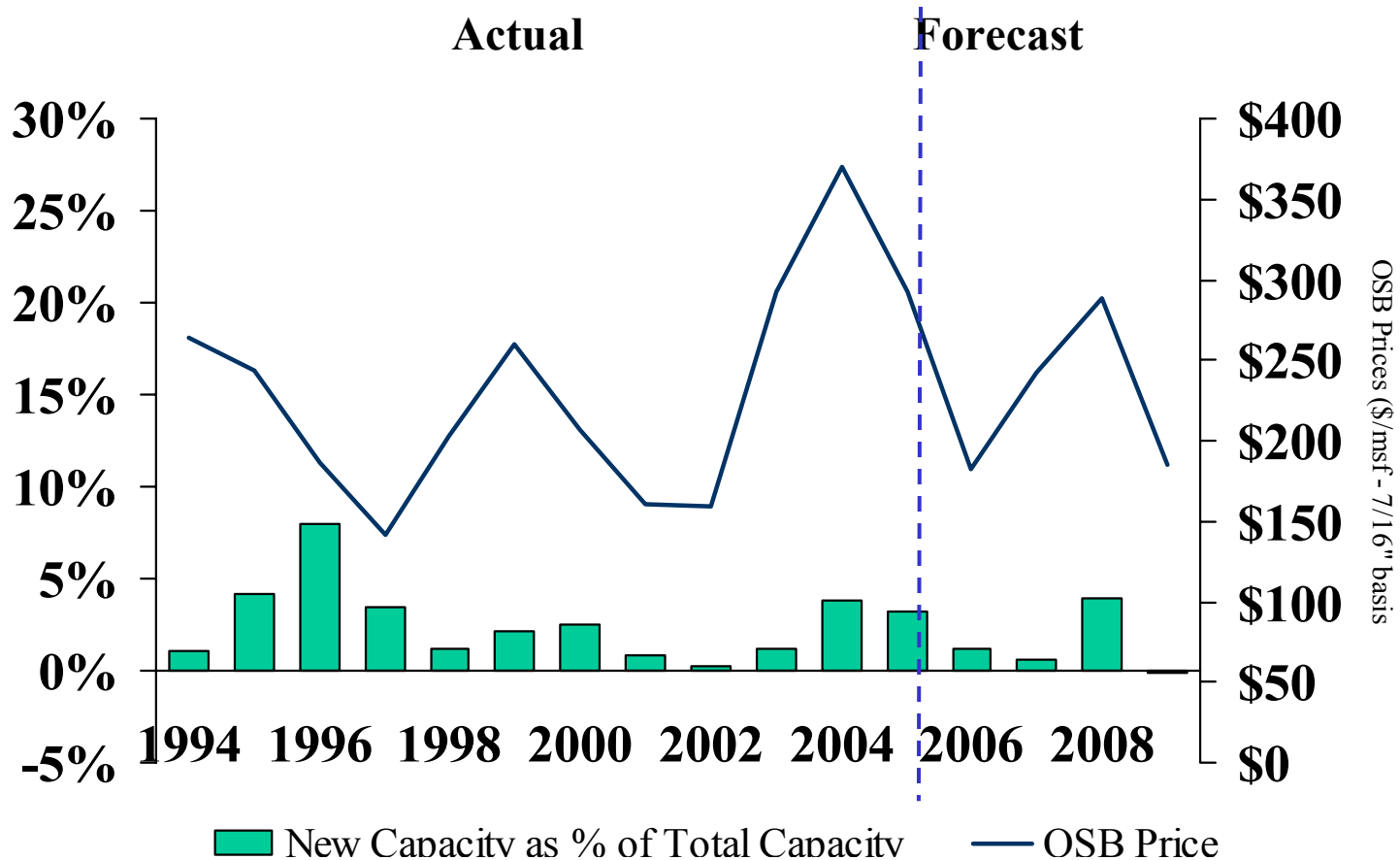
North America Structural Panel Demand



Source: RISI

Favorable OSB Supply Outlook

Net Additions and OSB Prices – Structural Panels



Source: RISI (5 Year Forecast for 2005), includes greenfield and creep capacity

Engineered Wood Products



- #1 position in solid-sawn I-Joist
- #3 position in LVL / I-Joist
- Steady demand growth
- Aligned and supportive customer base

Mill capacities:

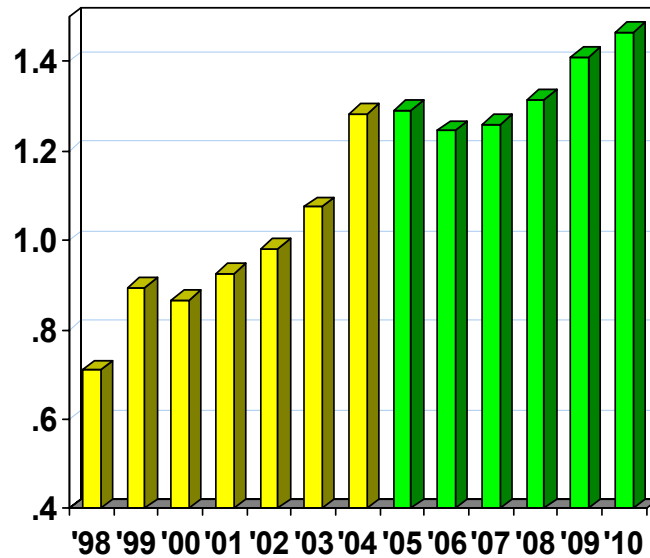
LVL - 10.6 million cubic feet

I-Joist - 106 million lineal feet

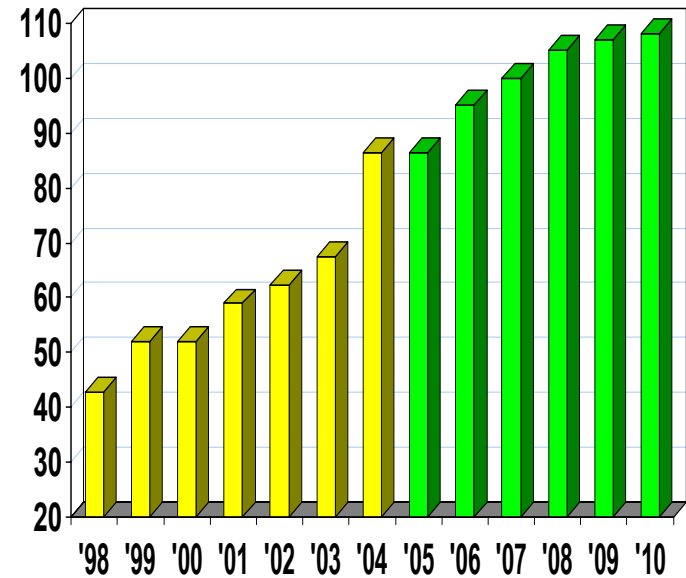
- 60 million lineal feet (Abitibi JV)

EWP Demand Growth

I joist - Billion Linear Ft.



LVL - Million Cubic Ft.



Source: APA-The Engineered Wood Association

EWP Strategies

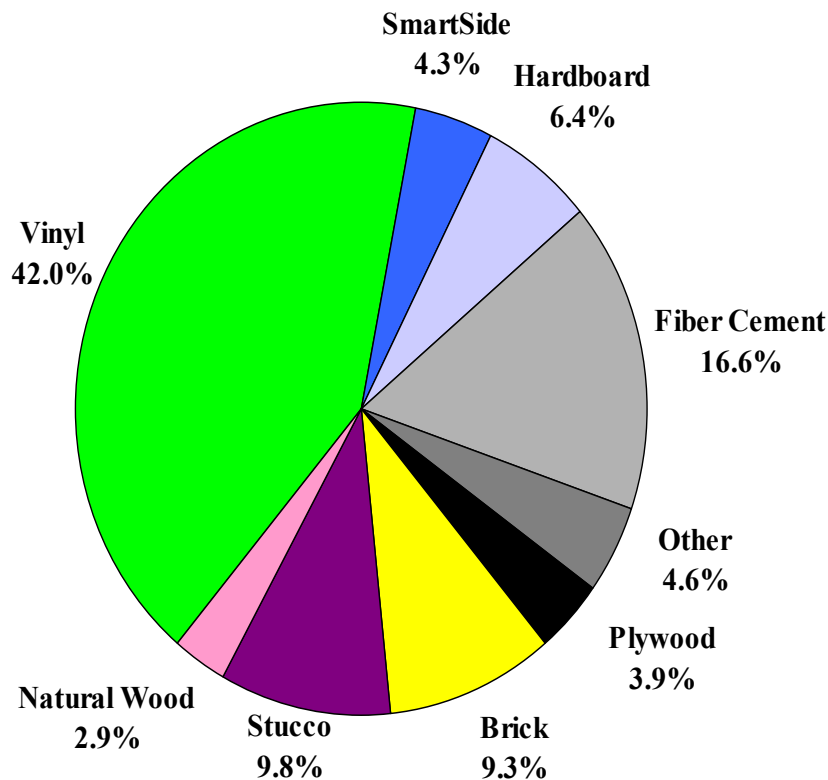
- Significantly lower costs ... progress on conversion but raw materials key
- Maintain position as “supplier of choice” to the independent 2-step distribution channel
- Provide growth opportunities to channel partners:
 - Additional solid-sawn I-Joist capacity
 - Searching for “bolt-on” LVL capacity
 - Develop “economic substitute” products for LVL / lumber

Siding



- Smart Side product line exhibiting strong growth:
 - Family of products – lap, panel, trim, fascia, soffit
 - Lower installed cost than Fiber Cement, Aluminum, and Wood
 - Curb appeal / outstanding performance
 - Beginning Hayward conversion
- Hardboard – lowest cost and broadest product line in the industry
- Vinyl – strong retail position; growing 1-step
 - Mill capacities:
 - 4 SmartSide mills – 750 mmsf
 - 2 Hardboard mills – 505 mmsf
 - 2 Vinyl mills – 3.2 million squares

Exterior Siding Market – Market Share by Category – 2003



Total Siding Demand in North America in 2003 = 10 billion square feet

LP currently participates in siding segments that represent over 50% of the market

Source: Ciprus, Freedonia, James Hardie, LP Internal

Other Building Products



- Mouldings – profitable / growing business, alliance partner opportunities
- Outdoor Living – early stage, excellent decking products (good/better/best strategy)
- Chile – small operation supporting early South American growth
- U.S. GreenFiber – cellulose insulation joint venture

Mill capacities:

Moulding – 290 million lineal feet

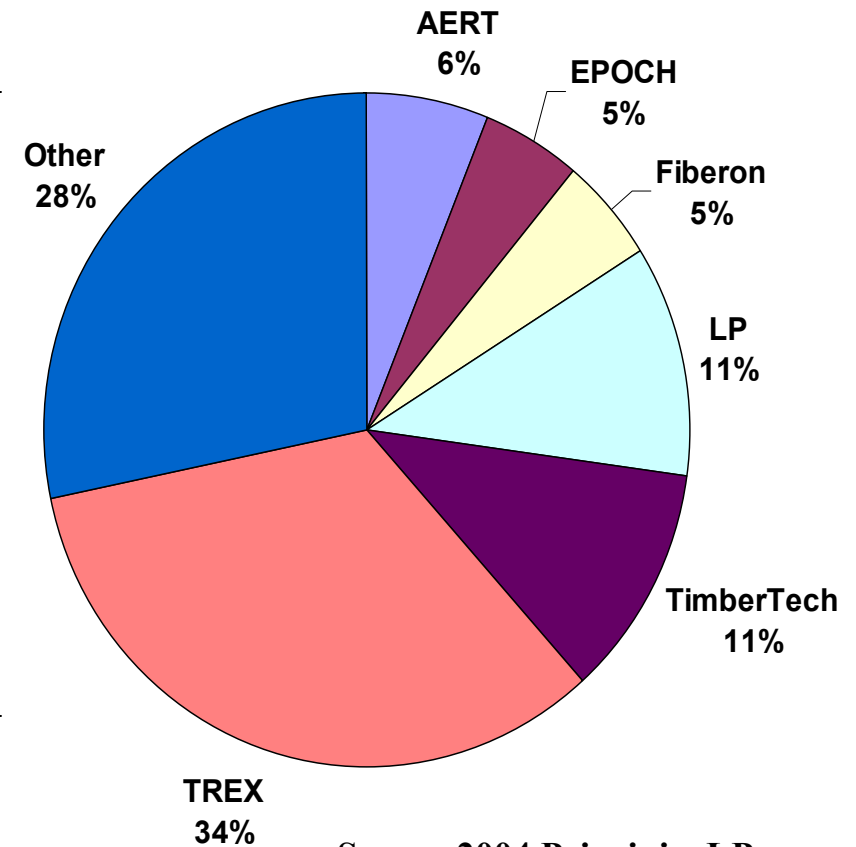
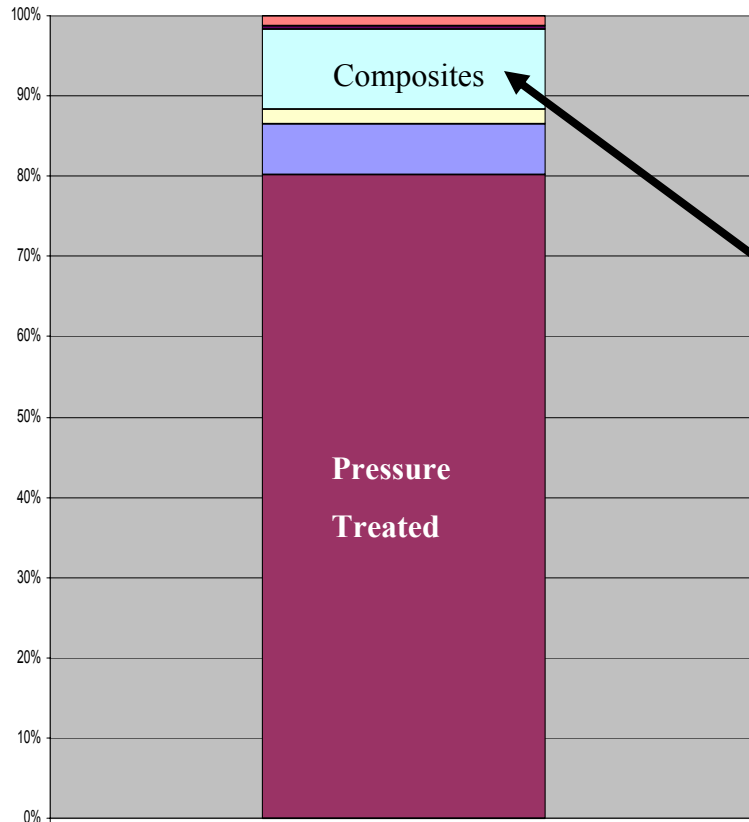
Decking – 50 million lineal feet

Chile – 130 mmsf

Composite Growth Potential Exists

Overall Decking 3.5 BLF

Composites 368 MLF



Source 2004 Principia, LP

What About the Cash?

- Build appropriate cash reserves and fund debt retirement:
 - Operating cash balances maintained at \$250 – 300 million
 - Retire 2005 maturing debt and make the call on remaining 2008 notes ...\$180 million
- Returning cash to shareholders via appropriate dividend
- Invest in existing facilities to lower costs and expand capacity to meet demand
- New facilities required to meet demand ... Canfor-LP JV, expansion of I-Joist JV, Alabama OSB
- “War chest” for acquisitions that add to capabilities (“right product” and “right price”)

Conclusions

LP has ...

- Leadership position in OSB with exceptional geographic distribution
- Specialty businesses with sales > \$1 billion
- A focused business model
- Continuing drive to be the low cost producer
- Growth opportunities in OSB (commodity and specialty), EWP and specialty exterior products
- Discipline in capital deployment
- Strong balance sheet ... financial flexibility

Q1 Highlights

- Net Sales \$680 million
- Net Income \$102 million ... EPS \$0.91
- All segments profitable
- OSB pricing up 11% from Q4, down 36% from Q1 04
- EWP sales increased 37%
- Siding ... poor weather and operational issues
- Spent \$44 million in capital (includes JVs)

Annual Meeting Highlights

- Increased dividend 25% to \$0.125/share per quarter
- Sold lumber mill in Gwinn, MI
- Reelected E. Gary Cook and Paul W. Hansen
- Announced retirement of Lee Simpson from the board
- Announced appointment of John C. Kerr to the board

Questions