

Louisiana-Pacific Corporation 2004 Annual Meeting

May 3, 2004



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 under the Investor Relations Presentations section

Random Lengths - North Central 7/16" OSB Prices – 1999-2004

\$/msf



Financial Results

\$ millions

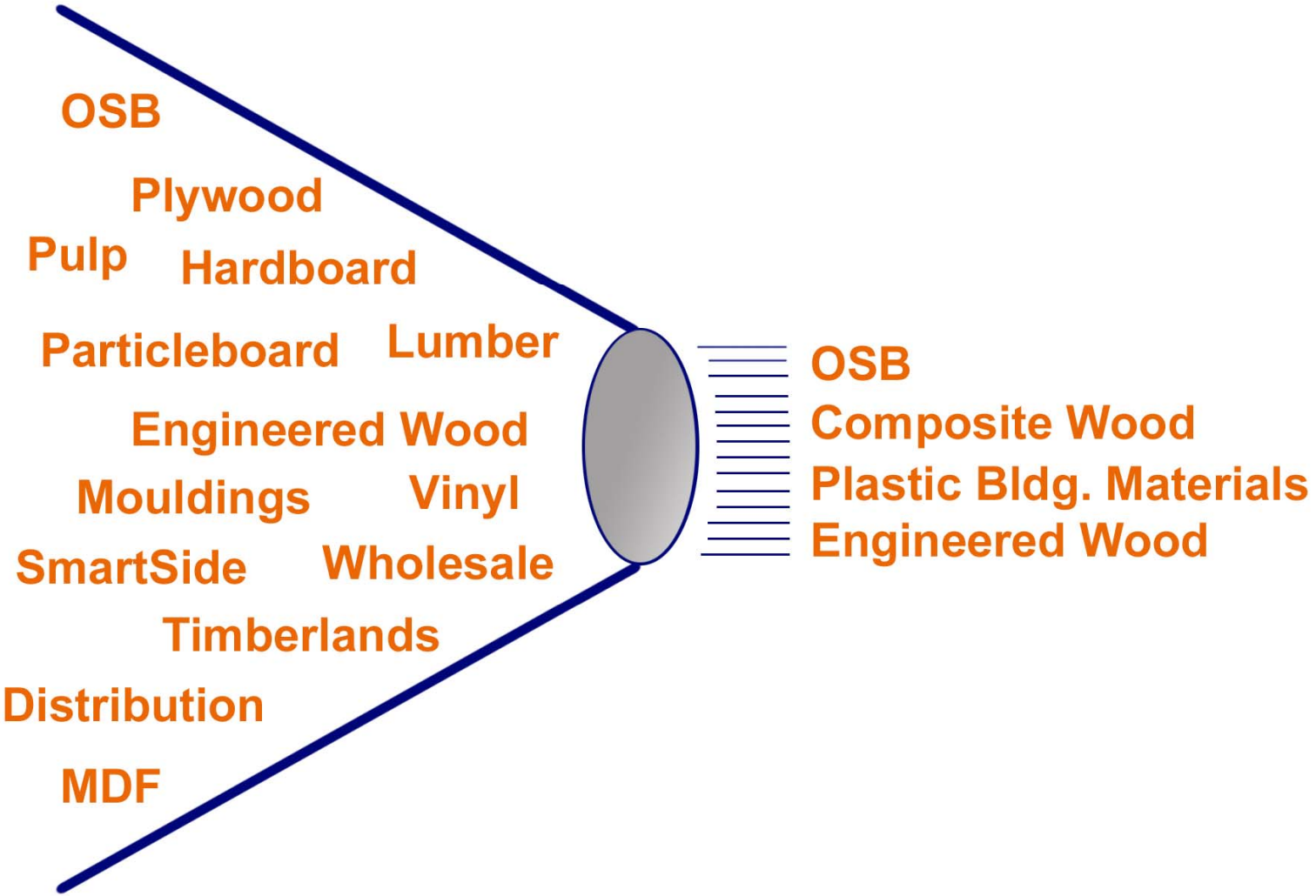
	<u>2003</u>	<u>2002</u>
Net Sales	\$2,300	\$1,600
Operating earnings*	\$412	\$(22)
Net income (loss)	\$273	\$(62)

* Operating earnings is defined as “income (loss) before taxes, minority interest, and equity in earnings of unconsolidated affiliates excluding (gain) loss on sale or impairment of long-lived assets and other operating credits and charges, net
(See appendix for a detailed reconciliation)

Future Outlook - Strong

- Favorable dynamics
- Historically low interest rates
- More efficient builders
- Growing repair & remodeling market
- Rebounding industrial and commercial markets

The Transformation Process



Major Industry Trends

- Industry is rapidly becoming global
- Consolidation of downstream customers is driving global sourcing
 - Big “Boxes”
 - Big Builders
- Trees are plentiful across the world
 - Proliferation of plantations
 - Higher growth rates
- Imports make up a growing percent of key North American building products
 - Plywood
 - Softwood lumber
 - Hardboard
 - Doors
 - Flooring

Retention Criteria

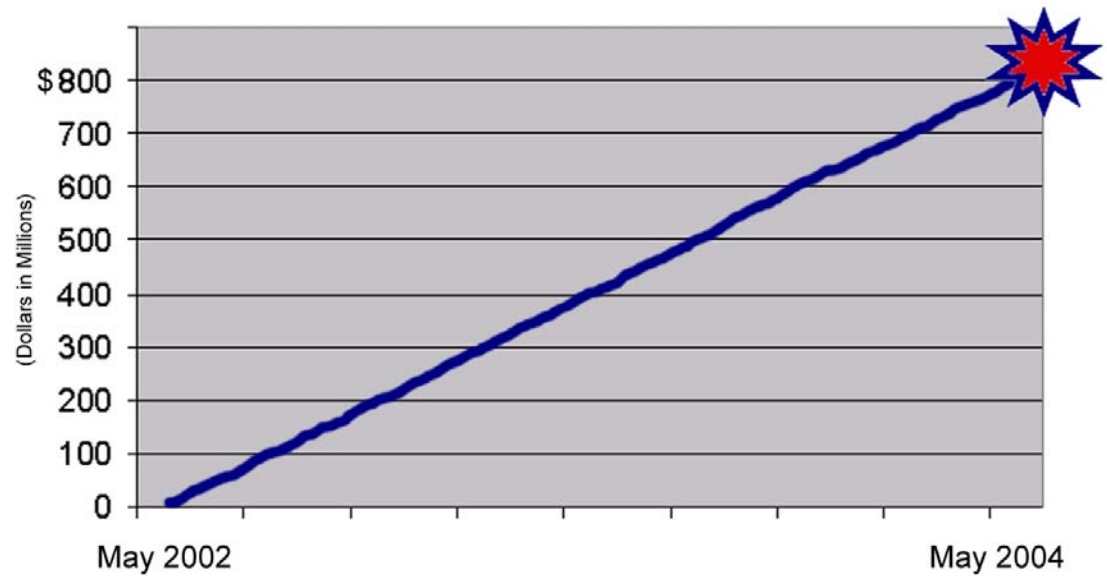
- Business and facilities that are or can be realistically modernized to be globally cost competitive
- The businesses have the potential to grow 5-20% per year through substitution for less attractive materials
- We have strong, attractive customers with whom we can partner to realize the growth
- LP either has or has plans to establish a strong market presence

Businesses Divested

- Lumber
- Timberland
- Plywood
- Industrial Panels
- Pulp
- Distribution

Divestiture Results

- 95% complete in 19 months
- More than \$750 million of value captured by the end of 2003
- Extraordinary job by LP employees

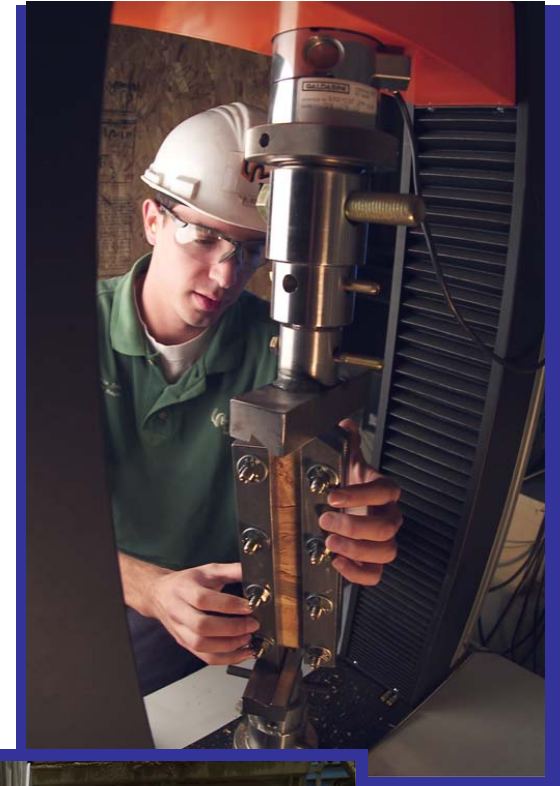


“Our Strength Is Our People”



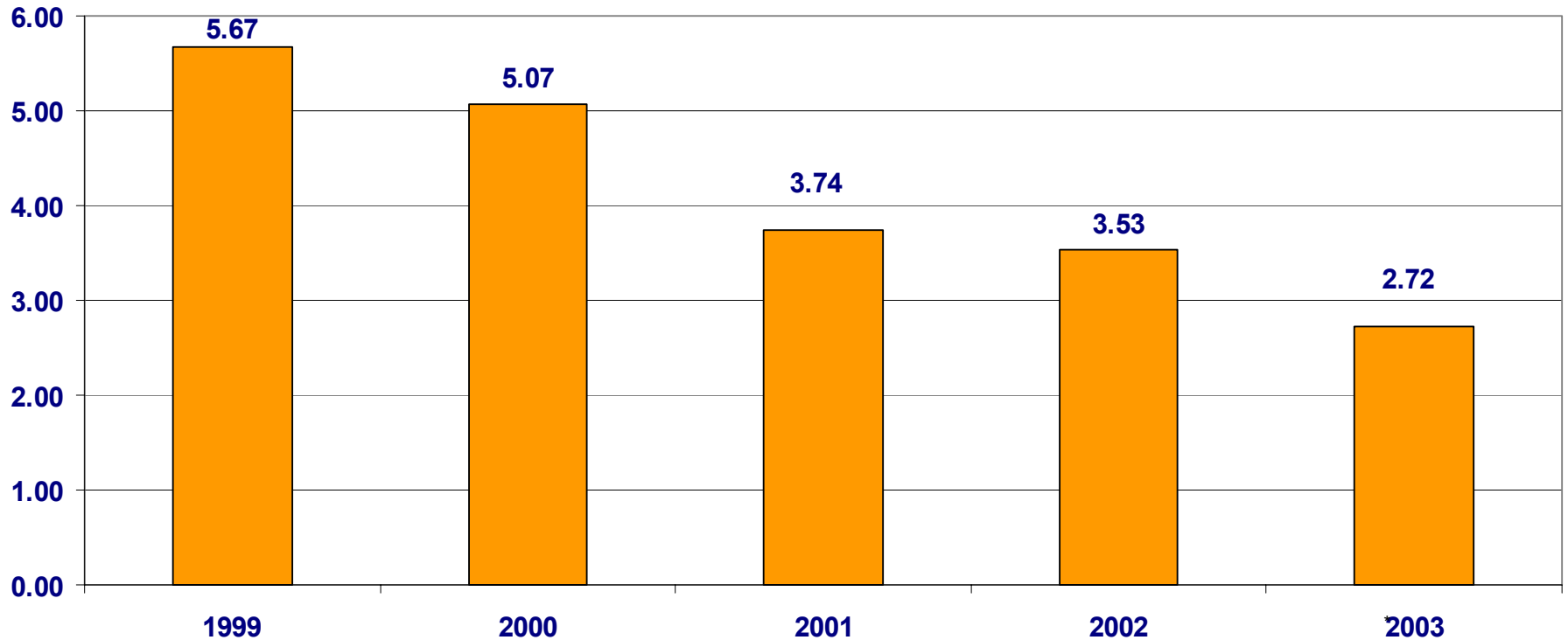
Key to Growth – Our People

- Consistent growth requires new skills
 - Leadership
 - Supervisory skills
 - Six-Sigma
 - OSB Operating University
 - Variety of quality, environmental and safety training
- R&D is growing
 - New LP Technology Center
 - Additional scientists



LP Safety Performance

**Total Incident Rate
1999 - 2003**



Financial Strength

\$ millions

	<u>1Q'04</u>	<u>1Q'02</u>
Total Cash* and Investments	\$886	\$47
Net Debt**	(\$446)	\$749
Book Value/sh.	\$13.27	\$10.31
Market Value/sh.	\$25.80	\$10.74

* Includes both restricted and unrestricted

** Net Debt is defined as long-term debt (including current portion) less timber notes payable cash, cash equivalents, investments and restricted cash

(See appendix for a detailed reconciliation)

Use of Cash*

\$ millions

“Safety net”	\$300
Pay off bonds due or callable in 2005	\$215
Available	\$371

* Cash is defined as cash, cash equivalents, investments and restricted cash

OSB Modernization/Expansion

- Modernization
 - \$250 million ('03-'07)
 - Reduce costs 10% across total system
 - Raise capacity from 5.8 bsf to 6.8 bsf
- Expansion
 - Slocan/LP Joint Venture
 - Fort St. John, British Columbia
 - Approx. 800 msf
 - Start up – late 2005
 - Alabama
 - Approx. 700 msf
 - Replace mill converting to specialty OSB
 - Construction '06-'07



OSB Growth

	<u>2002 Actual</u>	<u>2009 Forecast*</u>
Capacity (bsf)	5.8	7.5*
Shipments (bsf)	5.0	7.1

* Excludes ~ 1.0 bsf converted to siding/specialty

Composite Wood

- SmartSide® siding
 - Growing rapidly – 10-20% per year
 - Driving force:
 - Ease/low cost of installation
 - Curb appeal
 - Durability
 - Trim, soffit, fascia and accessories
- Hardboard siding
 - Slowly eroding market
 - Lowest cost position
 - Cash generation
 - “Last man standing”



SmartSide™
Siding & Exterior Trim Products

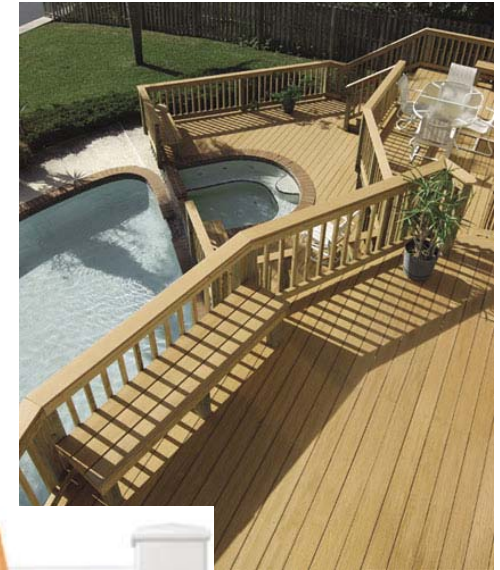
Composite Wood

Shipments

	<u>2002 Actual</u>	<u>2009 Forecast</u>
SmartSide (mmsf)	434	950

Plastic Building Products

- Vinyl siding
 - Growing 10% per year
 - Cost pressures from high resin prices
 - Product/service driving growth
- Extruded Mouldings
 - Modest growth
 - Excellent margins
 - Lowest cost position
- Decking/Railing/Outdoor Living
 - Dramatic growth
 - Expanding to lower costs & meet demand
 - Product proliferation



Plastic Building Products

Shipments

	<u>2002 Actual</u>	<u>2009 Forecast</u>
Vinyl (mmsq)	2.7	4.6
Deck/ODL (mmlf)	17	170

Engineered Wood Products

- Growing 20+% per year
- Serious cost pressures from OSB/Veneer



Great Performance...Great Value...
Great Decision.™



Engineered Wood Products Shipments

	<u>2002 Actual</u>	<u>2009 Forecast</u>
I-Joists (mmlf)	125	175+
LVL (mmc)	7.3	12+

LP Future

- Stronger, more cost competitive in every product line
- Physical volume up 30-1,000%
- Very strong balance sheet
- Profitable, growing, financially flexible
- Acquisitions??

Nashville

- Official move – 7/1/04
 - Temporary space now – 20 key managers
 - Phase 1 - ~100 people (July/August 2004)
 - Phase 2 – 1st Quarter 2005
- City has exceeded our expectations
 - Attractive to employees and candidates
 - Good infrastructure
 - Low cost/good quality of life
 - Business friendly
- Move is already paying off
 - Eliminating some redundant positions
 - Making better and faster decisions
 - High energy to move company forward

Appendix

Appendix

Operating Earnings	<u>2003</u>	<u>2002</u>
Income before taxes, minority interest, earnings of unconsolidated affiliates	\$ 515.2	\$ 9.4
(Gain) loss on sale or impairment of long- lived assets	(118.2)	(61.3)
Other operating credits and charges, net	<u>15.2</u>	<u>29.5</u>
Income (loss) before taxes, minority earnings of unconsolidated affiliates or impairment of long-lived assets and and charges, net	<u>\$ 412.2</u>	<u>\$ (22.4)</u>

Appendix

	<u>3/31/04</u>	<u>12/31/03</u>
<u>Calculation of “Net Debt”:</u>		
Long-term debt	\$ 828	\$ 1,021
Current portion of long-term debt	9	8
Notes receivable from asset sales	(397)	(397)
Total cash and investments (see pg. 29)	<u>(886)</u>	<u>(1,037)</u>
Net debt	\$ (446)	\$ (405)

Appendix

	<u>3/31/04</u>	<u>12/31/03</u>
<u>Calculation of “Total Cash and Investments”:</u>		
Restricted cash	\$ 111	\$ 111
Marketable securities	236	---
Cash and cash equivalents	<u>(539)</u>	<u>926</u>
Total cash and investments	\$ 886	\$ 1,037

Glossary

DDA -- depreciation, depletion (cost of timber harvested) and amortization

OSB -- oriented strand board

LVL -- laminated veneer lumber

ODL – outdoor living

