

Louisiana - Pacific Corporation

Investor Presentation

August 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 included in the appendix.

Agenda

- Environment
- LP's Business Segments
- Business Strategies
- Financial Summary and Use of Cash
- Conclusions

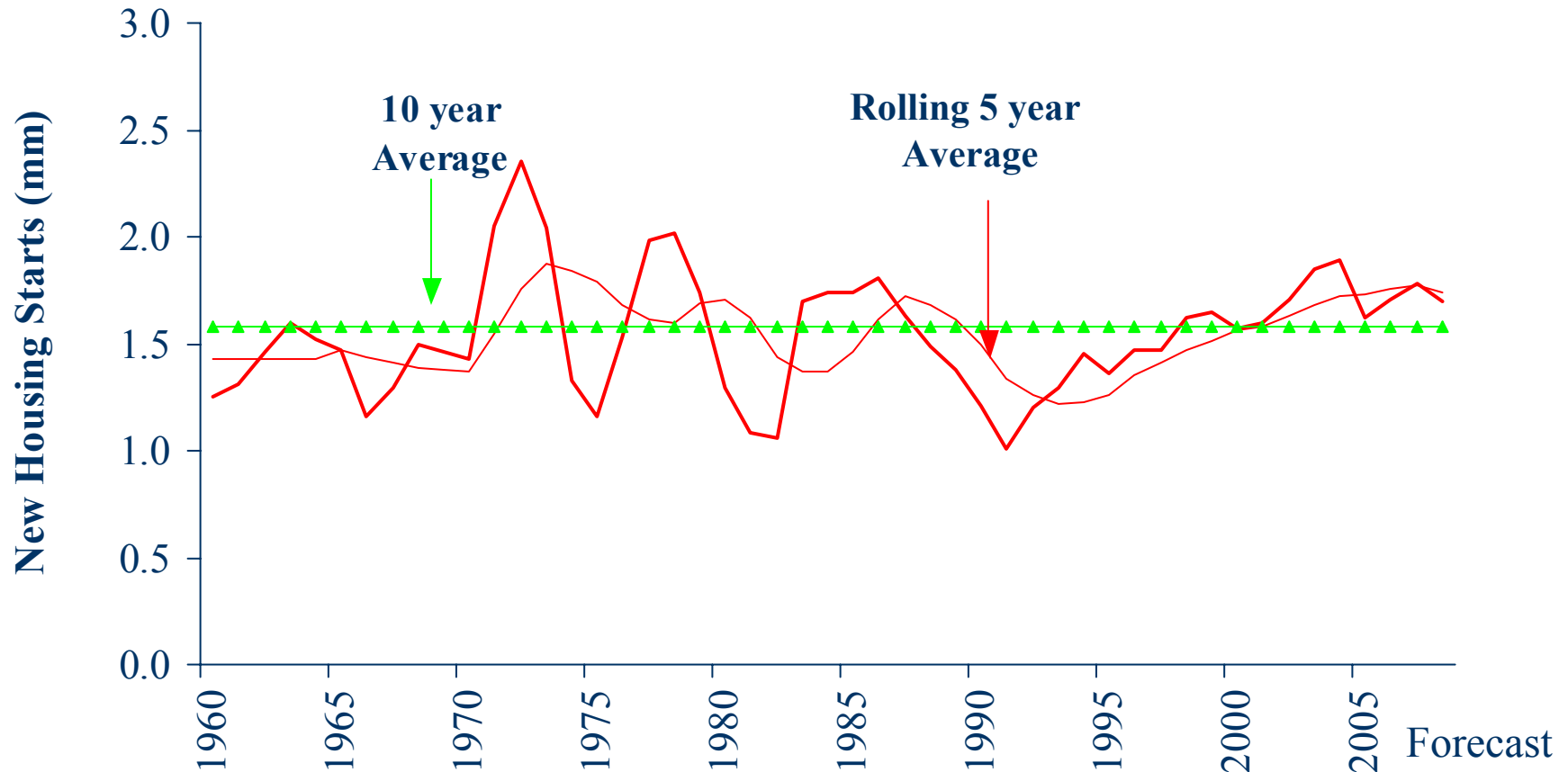
Market Outlook - Demand

- 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 moderately up
 - More houses in the existing stock
 - Homes are getting older
 - Rise of “big box retailers” makes access easy
 - Availability of “installed sales”
 - Year-to-year growth at Lowes and Home Depot at 10-12%
- Commercial and light industrial coming back

Home Building Demand Indicators

Housing Starts

⌘ Annual housing starts have averaged about 1.58 million since 1994 and are projected to remain strong in the 1.7 million range over the next 5 years.



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 ... “buy right”, drive capital for cost reductions
 - Launch new products effectively and capture early life cycle pricing
 - Most efficient supply chain / logistics ... delivered cost is what matters
 - Influence / participate in forward integration

LP Today

- Completing a significant restructuring involving asset sales, product line divestitures and debt reduction:
 - Asset sales plan very successful with more than \$750 million in “value” captured
 - One lumber mill left to sell
- Result: focused business model with four segments capable of generating sufficient cash to reward our investors and cover our investment plans:
 - Retained businesses have scale, low cost and opportunities for growth
- Increased financial flexibility ... at June 30, 2004:
 - Working capital almost \$1.2 billion
 - Cash exceeds debt by over \$700 million

LP's Business Segments

OSB

- Commodity panels
- Tech Shield
- Flooring

Composite Wood

- SmartSide OSB siding
- Exterior Hardboard siding
- Chile OSB

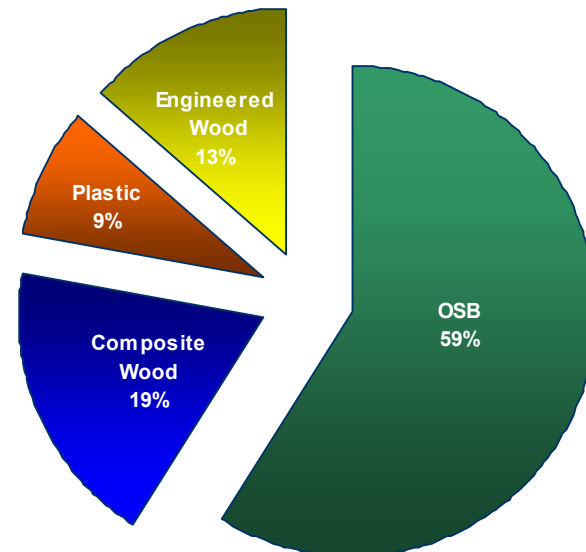
Engineered Wood Products

- Laminated veneer lumber
- I - Joist

Plastic Building Products

- Vinyl
- Moulding
- Composite Decking

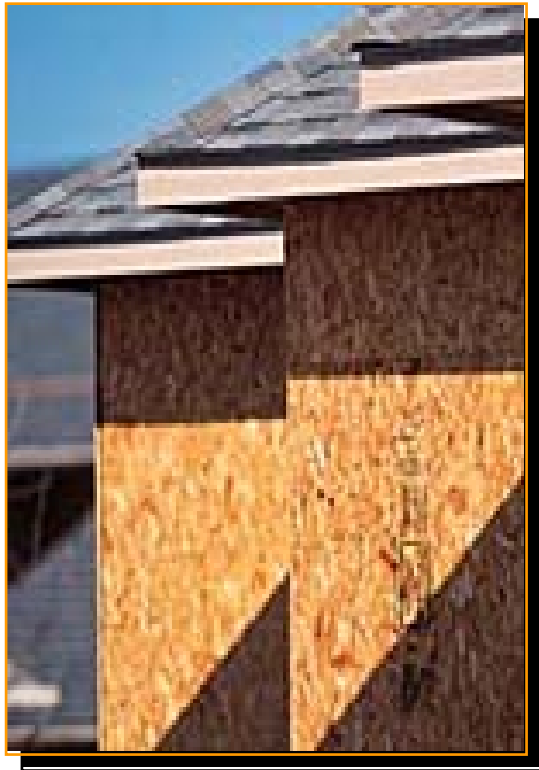
2003 Revenue - \$2.3 Billion



Segment Characteristics

- Commodity – OSB:
 - Primarily new construction ... 80% / 20%
 - Price volatility
 - Traded daily
 - Cost is king
 - Demand / capacity management critical
- Specialty – EWP, Plastics, Composite Wood:
 - 50% / 50% ... new construction / R&R
 - 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 producer with greater than 25% market share
- Lowest cost / highest margin producer
- Growth through substitution
- Best geographic coverage
- Provide the best delivered value through quality and service

Mill capacities:

15 mills – 5.8 billion square feet

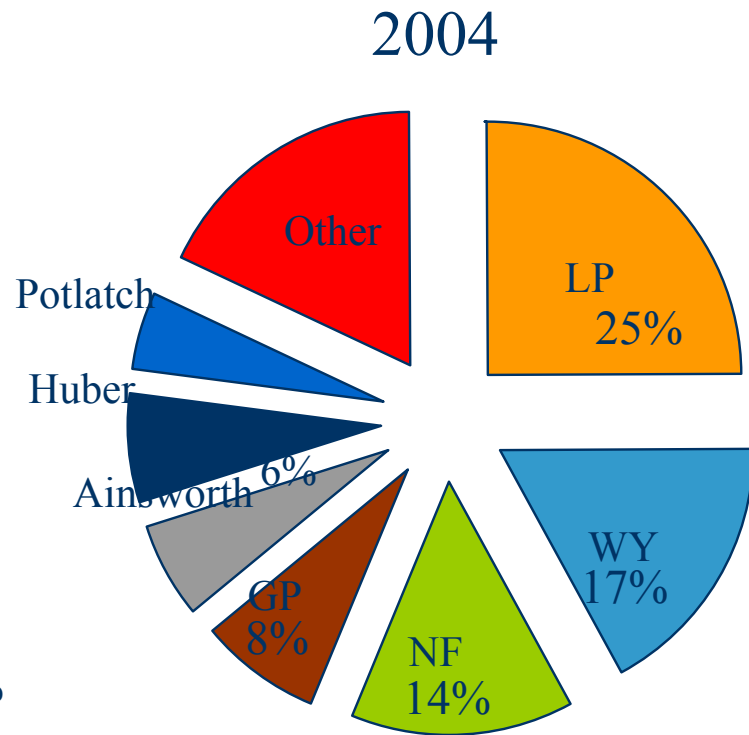
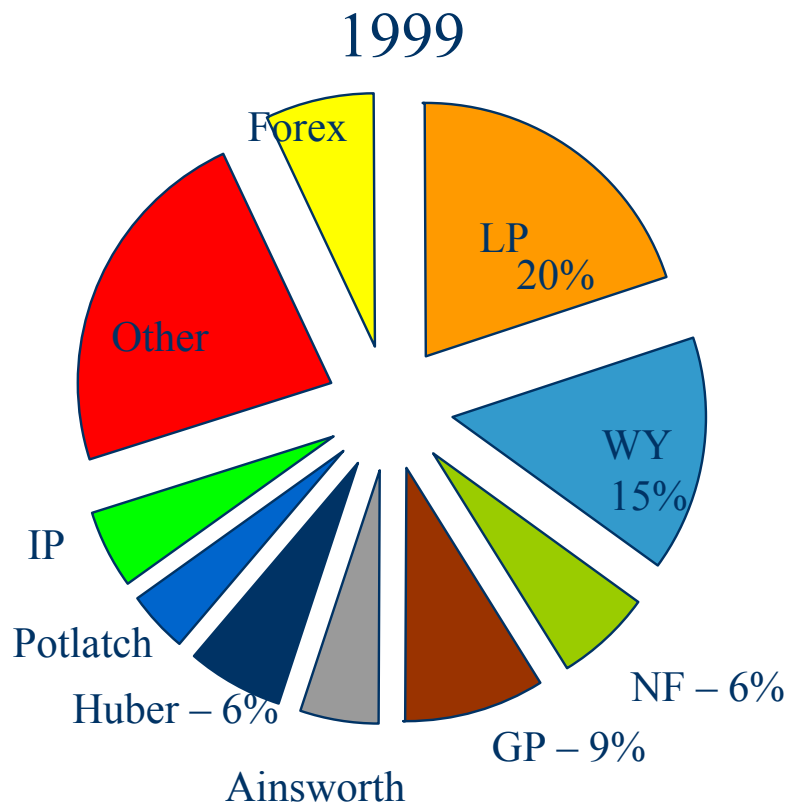
OSB Strategies

- Provide best delivered value through reliable and consistent product quality, excellent order fulfillment and next generation OSB products
- Continue to reduce costs through reinvestment in existing plants
- Maintain current production share from “brownfield” build-out and grow share with “greenfield” capacity
- Promote OSB substitution for plywood with premium and improved products

OSB Investment Priorities

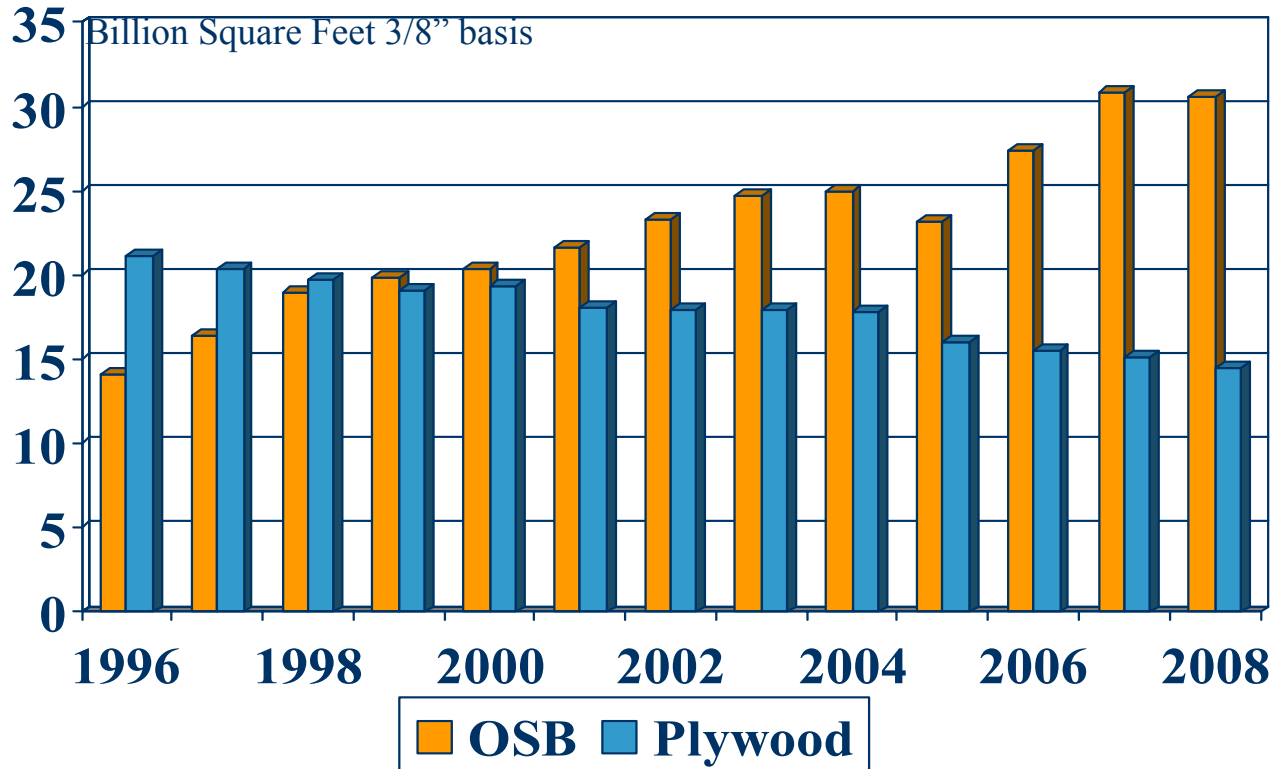
- \$250 million investment plan in existing mills over the next 3 – 5 years:
 - Reduce cost (energy, materials, resin costs, yield)
 - Improved product properties
 - Greater throughput ... + 900 MMSF
 - 10% reduction in cost
- Acquire competitive facilities “at the right price”
- Greenfield “opportunities:
 - Canada – British Columbia ... Slocan-LP JV (800 mmsf) will be breaking ground in a few months
 - Alabama ... Board approval to begin planning for a 700 mmsf mill with start-up in late 2007
 - South America (Chile)

OSB Market Share



Source: RISI

Overall Structural Panel Demand



Source: RISI

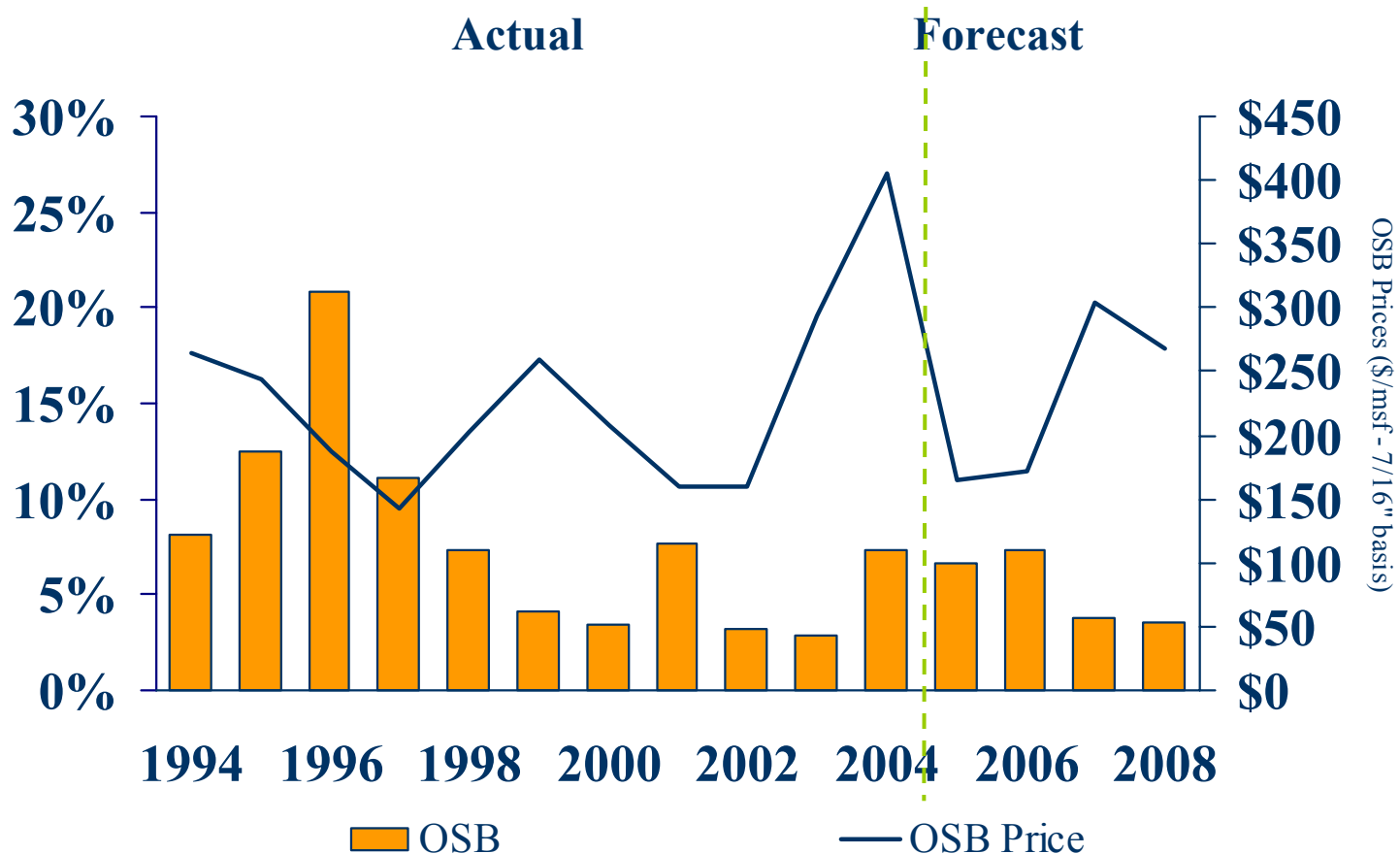
2000
OSB – 51%
Plywood – 49%

2004
OSB – 58%
Plywood – 42%

2008
OSB – 68%
Plywood – 32%

Favorable OSB Supply Outlook

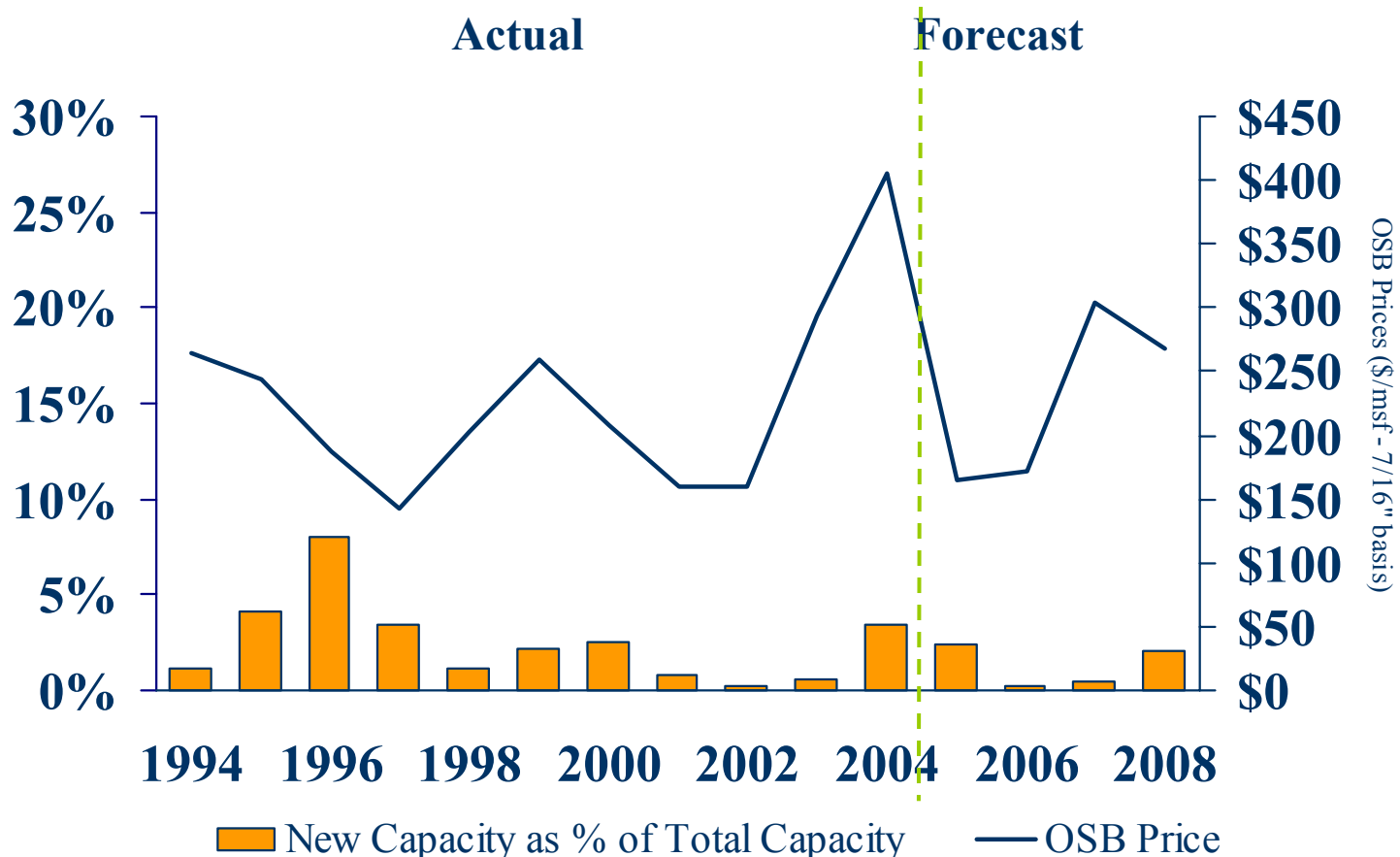
New Additions and OSB Prices – OSB capacity



Source: RISI (May '04 for 2004 - 2008), includes greenfield and creep capacity

Favorable OSB Supply Outlook

New Additions and OSB Prices – Structural Panels



Source: RISI (May 04 for 2004 - 2008), 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
- Segment needs further consolidation

Mill capacities:

LVL - 10.6 million cubic feet

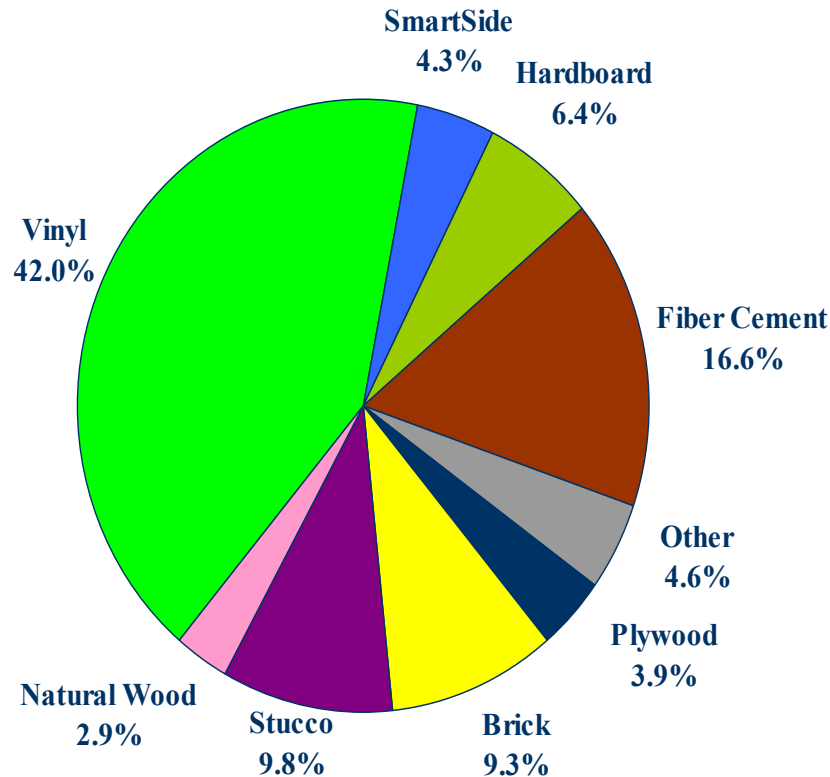
I-Joist - 106 million lineal feet

- 60 million lineal feet (Abitibi JV)

EWP Strategies

- Deliver EWP systems to residential builders faster, more reliably, and more cost effectively than the competition
- Significantly lower costs
- Expand position as supplier to independent distributors
- Differentiate ourselves from our competitors with level of service

Exterior Siding Market – Market Share by Category – 2003



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

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

Source: Ciprus, Freedonia, James Hardie, LP Internal

Composite Wood Products



- Smart Side product line exhibiting strong growth:
 - Family of products – lap, panel, trim, fascia, soffit
 - Lowest installed cost
 - Curb appeal / outstanding performance
- Hardboard – lowest cost and broadest product line in the industry
- Chile – source of low cost, high quality specialty products and new markets

Mill capacities:

7 mills – 1.4 billion square feet

Composite Wood Strategies

- SmartSide
 - Become #1 supplier of branded trim, fascia and soffit
 - Become a major supplier of lap siding in new construction ... 6% market share by 2007
 - Penetrate repair / remodeling through both big boxes and on-step channels
 - Take full advantage of Chile
- Hardboard
 - Utilize cost position at all times – “last man standing”
 - Optimize CanExel volume and expand sales in Canada and Europe
 - Selectively add capabilities to expand value-added product line

Plastic Building Products



- Vinyl siding – growth through service and product development
- Mouldings – profitable / growing business, alliance partner opportunities
- Outdoor Living – early stage, excellent decking products (good/better/best strategy), technology platform for expanded product line

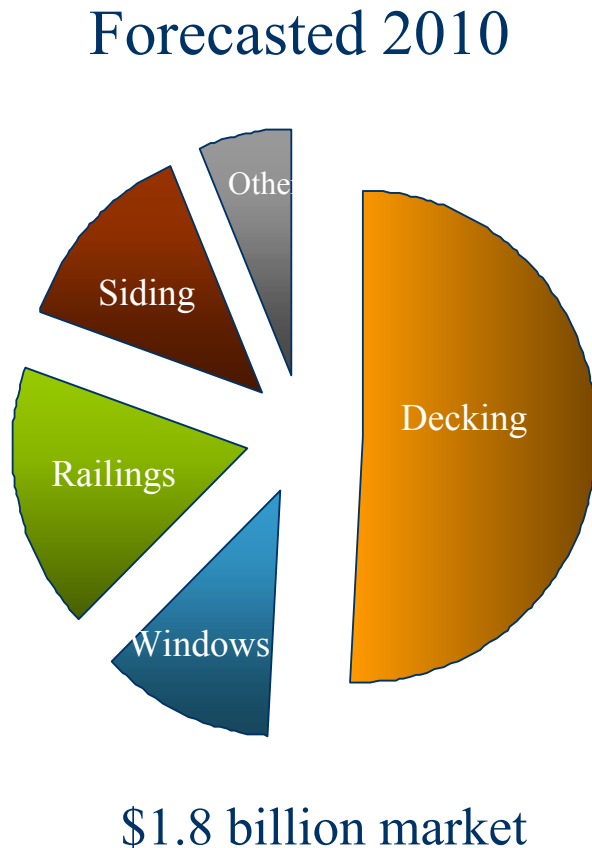
Mill capacities:

Vinyl – 3.2 million squares

Moulding – 290 million lineal feet

Decking – 50 million lineal feet

Plastic Composite Market



- The plastic composite market for building products estimated at \$600 million in 2002 growing to \$1.8 billion by 2010
- Applications include:
 - Decking
 - Railings
 - Windows and doors
 - Fencing
 - Siding accessories

Plastic Building Products Strategies

- Vinyl
 - Gain more and better access to one-step channel
 - Take advantage of superior logistics capabilities
 - Implement “brownfield” capital plan
- Outdoor Living
 - Establish a recognized brand
 - Establish a recognized brand, develop and maintain access to the market with Home Centers and standard distributors
 - Drive down costs to ensure a sustainable cost position
 - Develop / acquire products to fill-out “outdoor living” concept
- Moulding
 - Be a primary supplier to the home centers
 - Identify and enter new market segments

Use of Cash

- Build appropriate cash reserves and retire debt
 - “Operating” and “insurance” cash balances should be at \$250 – 300 million
 - “Strategic” cash should be sufficient to retire 2005 maturing debt and make the call on remaining 2008 notes ...\$220 million:
- Invest in existing facilities
 - Lower costs
 - Appropriate capacity additions
- Acquisitions that add to capabilities
- Shareholder value strategies
 - Increase dividend to 30-40% of “normalized earnings” over time
 - Repurchase shares

Conclusions

LP has ...

- Lots of cash and more to come
- An unquestioned leadership position in OSB with exceptional geographic distribution
- A very focused business model
- Unrelenting drive to be the low cost producer
- Growth opportunities in OSB (commodity and specialty), EWP and specialty exterior products
- Discipline in capital deployment
- Strongest balance sheet in the industry ... financial flexibility

Questions

Appendix

6/30/04

Calculation of "Working Capital":

Current assets	\$ 1,458
Current liabilities	<u>263</u>
Working capital	\$ <u>1,195</u>

Calculation of "Net Debt":

Long term debt	\$ 820
Current portion long term debt	9
Notes receivable from asset sales	(397)
Total cash and investments(see pg 30)	<u>(1,145)</u>
Net debt	\$ <u>(713)</u>

Calculation of “Total Cash and Investments”:

	<u>6/30/04</u>
Restricted cash	\$ 82
Long-term investments	33
Short-term investments	113
Cash and cash equivalents	<u>917</u>
Total cash and investments	<u><u>\$1,145</u></u>