

Louisiana-Pacific Corporation

Q2 2003 Results

July 29, 2003

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on July 29, 2003 relating to LP's financial condition and results of operations as of and for the quarter and six months ended June 30, 2003. 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 July 29, 2003.



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.

Financial Results – Quarterly

	<u>2003</u>	<u>2002</u>
<u>Quarterly (June 30)</u>		
Sales	\$ 478.5	\$ 432.3
Income from continuing operations	\$ 8.9	\$ 7.5
Loss from discontinued operations	\$ (26.1)	\$ (20.7)
Net income (loss)	\$ (17.2)	\$ (13.2)
EPS	\$ (0.16)	\$ (0.13)

Financial Results – Year to Date

	<u>2003</u>	<u>2002</u>
<u>Year to Date (June 30)</u>		
Sales	\$ 891.6	\$ 821.5
Income from continuing operations	\$ 10.9	\$ 7.6
Loss from discontinued operations	\$ (26.7)	\$ (26.5)
Net income (loss)	\$ (15.7)	\$ (22.7)
EPS	\$ (0.15)	\$ (0.22)

Reconciliation of Special Items

	<u>Q2 2003</u>	<u>Q2 2002</u>	<u>6 Months</u>	
			<u>2003</u>	<u>2002</u>
Pre - tax income from continuing operations	\$ 19.3	\$ 11.1	\$ 22.4	\$ 13.9
Gain (loss) on sale or impairment of long-lived assets	29.2	5.8	41.7	4.2
Other operating credits and charges	<u>(25.4)</u>	<u>(1.5)</u>	<u>(25.4)</u>	<u>0.4</u>
Total	<u>3.8</u>	<u>4.3</u>	<u>16.3</u>	<u>4.6</u>
Pre - tax income from operations excluding "special items"	<u>\$ 15.5</u>	<u>\$ 6.8</u>	<u>\$ 6.1</u>	<u>\$9.3</u>

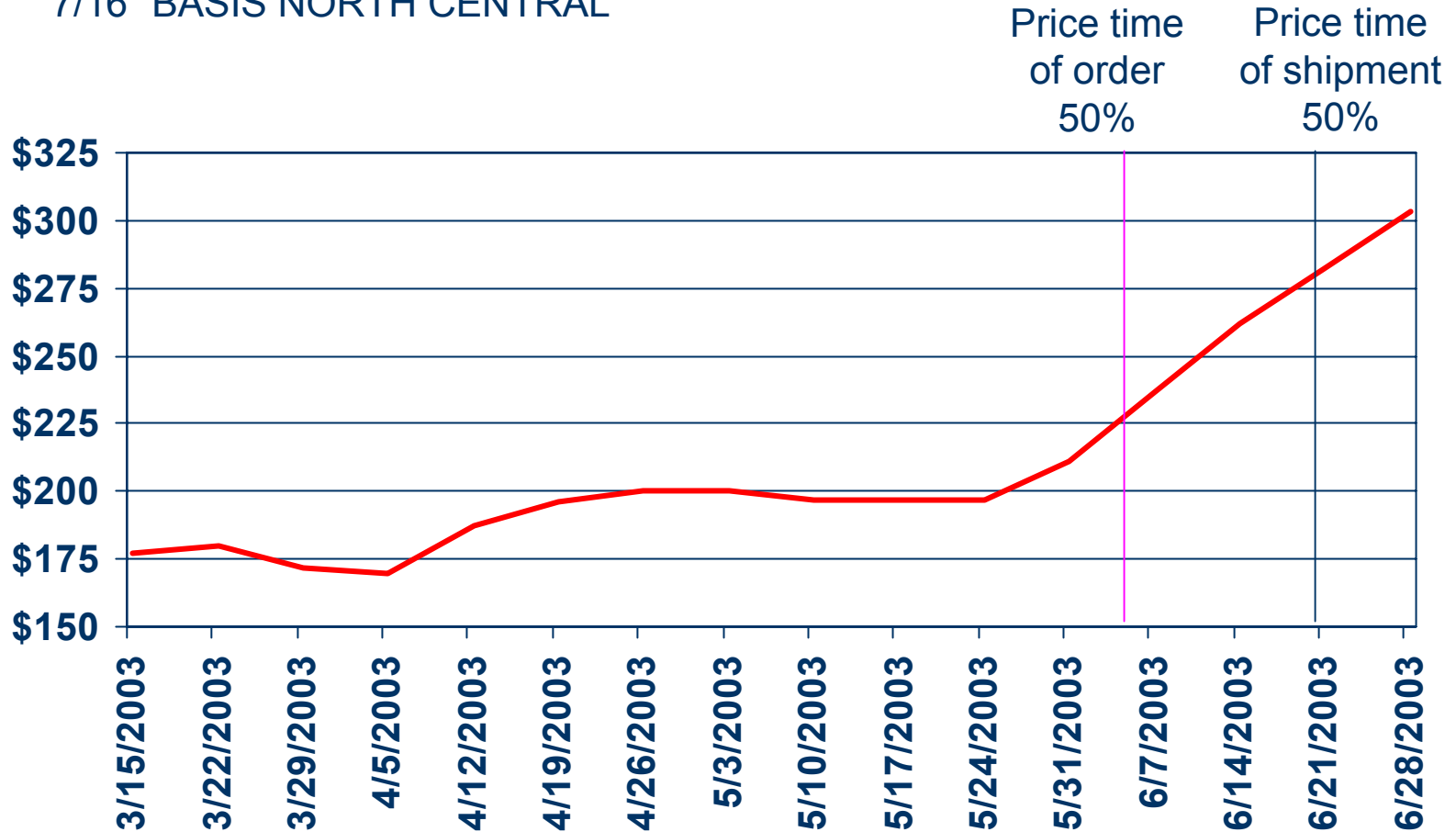
OSB

	<u>Q2 03</u>	<u>Q2 02</u>	<u>Change</u>	<u>YTDQ2 03</u>	<u>YTDQ2 02</u>	<u>Change</u>
Sales	\$ 229.2	\$ 194.8	18%	\$ 423.5	\$383.6	10%
Profit ^a	\$ 37.1	\$ 25.0	48%	\$ 50.9	\$ 48.1	6%
DDA	\$ 17.3	\$ 18.0		\$ 36.0	\$ 38.9	
Volume			-4%			-4%
Price			23%			15%

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvest and selling and administration directly associated with the segment

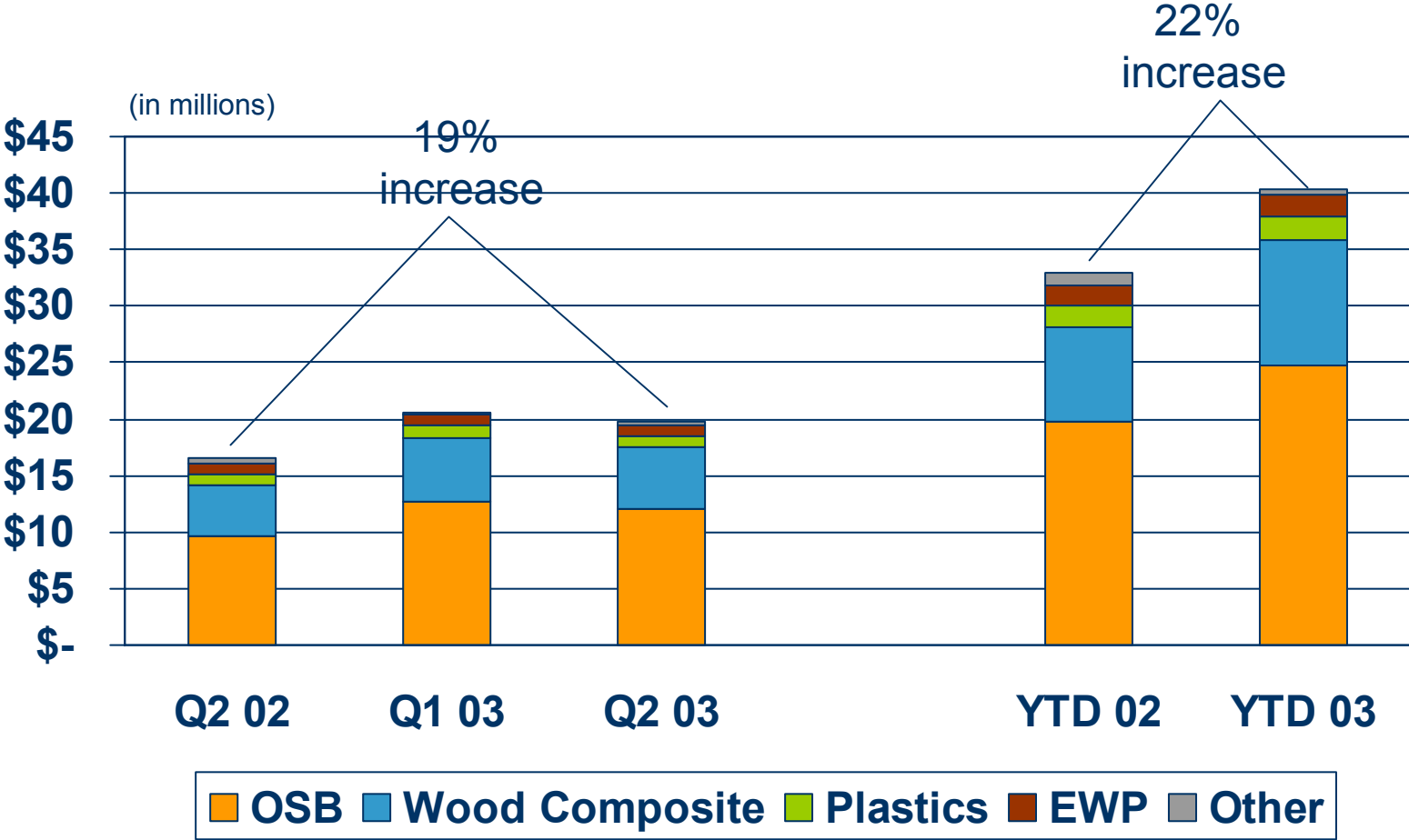
Weekly Random Lengths Price

7/16" BASIS NORTH CENTRAL



Using Random Lengths' reported averages –
 open market (assuming 2 week order file) = \$194
 contract wood - \$208
 overall Random Lengths' average - \$218

Utility Cost by Business



Composite Wood Products

	<u>Q2 03</u>	<u>Q2 02</u>	<u>Change</u>	<u>YTDQ2 03</u>	<u>YTDQ2 02</u>	<u>Change</u>
Sales	\$ 100.8	\$ 101.8	-1%	\$ 189.5	\$188.1	1%
Profit ^a	\$ 10.5	\$ 17.6	-40%	\$ 20.2	\$ 28.4	-29%
DDA	\$ 4.3	\$ 4.1		\$ 8.4	\$ 8.1	
Volume:						
Smart Side			11%			15%
Commodity OSB			-7%			5%
Hardboard			-4%			-11%
Price:						
Smart Side			-%			-%
Commodity OSB			26%			15%
Hardboard			-8%			8%

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvest and selling and administration directly associated with the segment

Plastic Building Products

	<u>Q2 03</u>	<u>Q2 02</u>	<u>Change</u>	<u>YTDQ2 03</u>	<u>YTDQ2 02</u>	<u>Change</u>
Sales	\$ 57.6	\$ 43.7	32%	\$ 100.2	\$ 73.8	36%
Profit ^a	\$ 6.1	\$ 1.3	369%	\$ 9.3	\$ 2.0	365%
DDA	\$ 1.9	\$ 1.6		\$ 3.6	\$ 2.9	
Volume:						
Vinyl			13%			10%
Moulding			-3%			-5%
Decking			83%			167%
Price:						
Vinyl			7%			8%
Moulding			-4%			-2%
Decking			26%			26%

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvest and selling and administration directly associated with the segment 10

Engineered Wood Products

	<u>Q2 03</u>	<u>Q2 02</u>	<u>Change</u>	<u>YTDQ2 03</u>	<u>YTDQ2 02</u>	<u>Change</u>
Sales	\$ 72.8	\$ 67.8	7%	\$ 137.3	\$ 121.3	13%
Profit ^a	\$ (1.1)	\$ 2.0	-155%	\$ (2.1)	\$ 4.3	-149%
DDA	\$ 3.6	\$ 4.1		\$ 7.6	\$ 8.3	
Volume:						
LVL			36%			33%
I-Joist			3%			5%
Price:						
LVL			5%			2%
I-Joist			-5%			-5%

^a Profit equals sales less cost of sales, depreciation, amortization and cost of timber harvest and selling and administration directly associated with the segment

Expected Annual Tax Rates

Applied to year to date income (loss)

	Tax (Benefit) <u>Provision</u>	Annual <u>Rate</u>
Continuing operations	\$ 11.1	50%
Discontinued operations	(16.5)	38%
Cumulative effect of accounting change	<u>0.1</u>	<u>38%</u>
Total provision	<u><u>\$ (5.3)</u></u>	<u><u>26%</u></u>

Based upon projected annual income as of June 30, 2003.

Balance Sheet

(in millions, except per share amounts)

	June 30, <u>2003</u>	Dec. 31, <u>2002</u>
Working capital ^a	\$282	\$225
Net debt ^a	\$386	\$517
Available liquidity ^a	\$425	\$328
Capital expenditures YTD 2003	\$ 26	
Projected full year capital expenditures	\$ 85	
Book value per share	\$9.40	\$9.62

a. See page 16 and 17 for detailed calculations

Asset Divestiture Plan Update

- **Q2 2003 “value”:**
 - \$60 million in cash
 - \$53 million in notes, mostly converted to cash through financing transactions in early Q3
- **What’s left? ... timberlands:**
 - Purchase and sales agreement in place:
 - Four transactions
 - 570,000 acres / \$350 million
 - Expected close 3Q’03 and 4Q’03
 - Installment sale treatment
- Total program will result in more than **\$700** million in value.
- Recently added lumber and interior hardboard operations to divestiture list... anticipate sale or closure within one year.

QUESTIONS

	<u>6/30/03</u>	<u>12/31/02</u>
<u>Calculation of "Working Capital":</u>		
Current assets	\$ 539	\$ 491
Current liabilities	<u>257</u>	<u>266</u>
Working capital	<u>\$ 282</u>	<u>\$ 255</u>
<u>Calculation of "Net Debt":</u>		
Long term debt	\$ 1,040	\$1,070
Current portion long term debt	1	35
Notes receivable from asset sales	(404)	(404)
Restricted cash	(93)	(47)
Cash and cash equivalents	<u>(158)</u>	<u>(137)</u>
Net debt	<u>\$ 386</u>	<u>\$ 517</u>

Calculation of “Available Liquidity”

	<u>6/30/03</u>	<u>12/31/02</u>
Cash and cash equivalents	\$ 158	\$ 137
Restricted cash	93	48
Total available on revolving credit facilities	272	260
Current outstanding or under LOCs	<u>(90)</u>	<u>(117)</u>
Available liquidity	<u>\$ 425</u>	<u>\$328</u>

Glossary

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

OSB -- oriented strand board

LVL -- laminated veneer lumber

LOC -- letter of credit