

Louisiana Pacific Corporation

Q4 2004 Financial Results

February 7, 2005

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on February 7, 2005 relating to LP's financial condition and results of operations as of and for the quarter and nine months ended December 31, 2004. 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 February 7, 2005.

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.

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.

Financial Results – Quarterly

Dollars in millions, except per share amounts

	<u>2004</u>	<u>2003</u>
<u>Quarterly (December 31)</u>		
Net sales	\$ 588	\$ 730
Income (loss) from continuing operations	\$ 16	\$ 163
Income (loss) from discontinued operations	\$ (2)	\$ 1
Net income (loss)	\$ 14	\$ 164
Diluted EPS from continuing operations	\$ 0.14	\$ 1.52
Diluted EPS	\$ 0.12	\$ 1.52

Financial Results – Year

Dollars in millions, except per share amounts

	<u>2004</u>	<u>2003</u>
<u>Full Year</u>		
Net sales	\$ 2,849	\$ 2,281
Income from continuing operations	\$ 424	\$ 285
Loss from discontinued operations	\$ (3)	\$ (13)
Net income (loss)	\$ 421	\$ 273
Diluted EPS from continuing operations	\$ 3.87	\$ 2.68
Diluted EPS	\$ 3.84	\$ 2.56

Reconciliation of Special Items

	<u>Q4 2004</u>	<u>Q4 2003</u>	Year Ended	
			<u>2004</u>	<u>2003</u>
Income (loss) from continuing operations	\$ 16	\$ 163	\$ 424	\$ 285
Less “special items”:				
(Gain) loss on sale or impairment of long-lived assets	6	(54)	18	(118)
Other operating credits and charges	4	(16)	29	15
Loss on early extinguishment of debt	<u>—</u>	<u>—</u>	<u>42</u>	<u>2</u>
	10	(70)	89	(101)
Provision (benefit) for income taxes	<u>4</u>	<u>(27)</u>	<u>34</u>	<u>(39)</u>
After tax effect of “special items”	<u>6</u>	<u>(43)</u>	<u>55</u>	<u>(62)</u>
Adjusted income from operations excluding “special items”	<u>\$ 22</u>	<u>\$ 120</u>	<u>\$ 478</u>	<u>\$ 223</u>
Adjusted income from operations excluding “special items” per diluted share	<u>\$0.20</u>	<u>\$1.12</u>	<u>\$4.36</u>	<u>\$2.09</u>

Tax Rate Discussion

<u>Taxes for Continuing Operations</u>	Millions	
	<u>Provision</u>	<u>Rate</u>
Actual tax provision and rate for Q4	<u>\$ 36</u>	<u>70%</u>
Taxable currency gain in Q4 not in consolidated income	44	
Blended state and federal tax rate	<u>39%</u>	
Deferred tax provision recorded in Q4	<u>17 (1)</u>	
Q4 tax provision and rate excluding above currency impact	<u>\$ 19</u>	<u>37%</u>

(1) \$0.15 per diluted share

Q4 2004 Adjusted Earnings

	<u>Millions</u>	<u>Per Share</u>
Income from continuing operations	\$ 15.6	\$ 0.14
Adjustment for "special items"	6.1	0.06
Deferred tax provision	<u>17.0</u>	<u>0.15</u>
Adjusted income from operations excluding "special items"	<u>\$ 38.7</u>	<u>\$ 0.35</u>

Revised Segments

OLD - Technology

Composite Wood Products

Smart Side Siding

Hardboard Siding

Chilean Operations

Plastic Building Products

Vinyl Siding

Decking

Interior Moulding

NEW – End Use

Siding

Smart Side Siding

Hardboard Siding

Vinyl Siding

Other

Chilean operations

Decking

Interior Moulding

OSB

	<u>Q4 04</u>	<u>Q4 03</u>	<u>Change</u>	<u>2004</u>	<u>2003</u>	<u>Change</u>
Sales	\$ 320	\$ 496	(35)%	\$ 1,749	\$1,336	31%
Profit ^a	\$ 68	\$ 259	(73)%	\$ 829	\$ 503	65%
DDA	\$ 26	\$ 22		\$ 94	\$ 78	
Volume			(4)%			3%
Price			(31)%			27%

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

Siding

	<u>Q4 04</u>	<u>Q4 03</u>	<u>Change</u>	<u>2004</u>	<u>2003</u>	<u>Change</u>
Sales	\$ 130	\$ 133	(2)%	\$ 554	\$524	6 %
Profit ^a	\$ 5	\$ 11	(56)%	\$ 54	\$ 61	(11)%
DDA	\$ 4	\$ 5		\$ 19	\$ 19	
Volume:						
Smart Side			12%			21%
Vinyl			(12)%			-%
Hardboard			(4)%			7%
Price:						
Smart Side			7%			6%
Vinyl			8%			4%
Hardboard			10%			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

Engineered Wood Products

	Q4 04	Q403	Change	2004	2003	Change
Sales	\$ 101	\$ 81	25%	\$ 395	\$ 291	36%
Profit ^a	\$ 4	\$ -	400%	\$ 7	\$ (2)	350%
DDA	\$ 4	\$ 4		\$ 15	\$ 14	
Volume:						
LVL			14%			27%
I-Joist			3%			15%
Plywood			22%			41%
Price:						
LVL			18%			12%
I-Joist			17%			13%
Plywood			(11)%			16%

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

Other

	Q4 04	Q403	Change	2004	2003	Change
Sales	\$ 39	\$ 30	30%	\$ 162	\$ 164	(1)%
Profit ^a	\$ 5	\$ (1)	462%	\$ 15	\$ 10	54%
DDA	\$ 2	\$ 2		\$ 7	\$ 6	
Volume:						
Moulding			-%			4%
Decking			164%			58%
Price:						
Moulding			16%			6%
Decking			37%			6%

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

Balance Sheet & Other Statistics

(in millions, except per share amounts)

	December 31, <u>2004</u>	December 31, <u>2003</u>
Total cash and investments	\$1,249	\$1,037
Working capital	\$1,164	\$1,023
Net debt	\$ (845)	\$ (405)
Capital expenditures YTD (includes JVs)	\$ 173	
Depreciation, amortization and cost of timber harvested (continuing operations)	\$ 144	
Book value per share	\$16.05	\$12.31

See appendix for reconciliations

Appendix

	<u>12/31/04</u>	<u>12/31/03</u>
<u>Calculation of "Working Capital":</u>		
Current assets	\$ 1,604	\$ 1,325
Current liabilities	<u>440</u>	<u>303</u>
Working capital	\$ <u>1,164</u>	\$ <u>1,022</u>
<u>Calculation of "Net Debt":</u>		
Long term debt	\$ 623	\$ 1,021
Current portion long term debt	178	8
Notes receivable from asset sales	(397)	(397)
Total cash and investments(see pg 17)	<u>(1,249)</u>	<u>(1,037)</u>
Net debt	\$ <u>(845)</u>	\$ <u>(405)</u>

Calculation of “Total Cash and Investments”:

	<u>12/31/04</u>	<u>12/31/03</u>
Restricted cash	\$ 66	\$ 111
Long-term investments	30	---
Short-term investments	327	---
Cash and cash equivalents	<u>826</u>	<u>926</u>
Total cash and investments	\$1,249	\$1,037

Glossary

- DDA -- depreciation, depletion (cost of timber harvested) and amortization
- OSB -- oriented strand board
- LVL -- laminated veneer lumber