

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarterly Period Ended March 31, 1996
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

93-0609074
(IRS Employer Identification No.)

111 S. W. Fifth Avenue, Portland, Oregon 97204-3699
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (503) 221-0800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 108,596,581 shares of Common Stock, \$1 par value, outstanding as of April 30, 1996.

FORWARD LOOKING STATEMENTS

Statements in this report, to the extent they are not based on historical events, constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or plans for product development. Investors are cautioned that forward-looking statements are subject to an inherent risk that actual results may vary materially from those described herein. Factors that may result in such variance, in addition to those accompanying the forward looking statements, include changes in interest rates, commodity prices, and other economic conditions; actions by competitors; changing weather conditions and other natural phenomena; actions by government authorities; uncertainties associated with legal proceedings; technological developments; future decisions by management in response to changing conditions; and misjudgments in the course of preparing forward-looking statements.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

Consolidated Summary Statements of Income
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions except per share) (Unaudited)

Three Months Ended March 31,	1996	1995
Net sales	\$ 584.1	\$ 686.8
Costs and expenses:		
Cost of sales	510.8	525.6
Depreciation, amortization and depletion	43.1	45.0
Selling and administrative	35.2	29.7
Interest expense	.1	2.3
Interest income	(.1)	(3.1)
Total costs and expenses	589.1	599.5
Income (loss) before taxes and minority interest	(5.0)	87.3
Provision (benefit) for income taxes	(1.9)	32.1
Minority interest in net income (loss) of consolidated subsidiaries	.5	.9
Net income (loss)	\$ (3.6)	\$ 54.3
Net income (loss) per share	\$ (.03)	\$.50
Cash dividends per share	\$.14	\$.125

Consolidated Summary Balance Sheets
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

	Mar. 31, 1996	Dec. 31, 1995
Cash and cash equivalents	\$ 47.2	\$ 75.4
Accounts receivable, net	134.9	128.7
Inventories	288.1	317.7
Prepaid expenses	14.6	14.3
Deferred income taxes	82.4	82.4
	-----	-----
Total current assets	567.2	618.5
	-----	-----
Timber and timberlands	680.0	689.6
Property, plant and equipment	2,647.2	2,592.5
Less reserves for depreciation	(1,169.9)	(1,140.2)
	-----	-----
Net property, plant and equipment	1,477.3	1,452.3
Investments and other assets	43.7	45.0
	-----	-----
Total assets	\$2,768.2	\$2,805.4
	=====	=====
Current portion of long-term debt	\$ 40.6	\$ 38.6
Short-term notes payable	78.6	98.3
Accounts payable and accrued liabilities	163.0	161.6
Current portion of contingency reserves	150.0	150.0
Income taxes payable	3.6	---
	-----	-----
Total current liabilities	435.8	448.5
	-----	-----
Long-term debt, excluding current portion	205.5	201.3
Deferred income taxes	205.8	207.5
Contingency reserves, net of current portion	229.3	250.5
Other long-term liabilities and minority interest	45.5	41.6
Stockholders' equity:		
Common Stock	117.0	117.0
Additional paid-in-capital	472.6	472.4
Retained earnings	1,382.2	1,400.8
Treasury stock	(187.2)	(192.7)
Loans to Employee Stock Ownership Trusts	(78.4)	(85.5)
Other equity adjustments	(59.9)	(56.0)
	-----	-----
Total stockholders' equity	1,646.3	1,656.0
	-----	-----
Total liabilities and equity	\$2,768.2	\$2,805.4
	=====	=====

Consolidated Summary Statements of Cash Flows
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

Three Months Ended March 31,	1996	1995
Cash flows from operating activities:		
Net income (loss)	\$ (3.6)	\$ 54.3
Depreciation, amortization and depletion	43.1	45.0
Other adjustments	(14.3)	8.7
Decrease (increase) in certain working capital components	27.5	12.7
	-----	-----
Net cash provided by operating activities	52.7	120.7
	-----	-----
Cash flows from investing activities:		
Plant, equipment and logging road additions	(61.1)	(80.9)
Timber and timberland additions, net	---	(15.9)
Other investing activities, net	4.1	2.6
	-----	-----
Net cash used in investing activities	(57.0)	(94.2)
	-----	-----
Cash flows from financing activities:		
New borrowing	22.5	---
Repayment of long-term debt	(16.4)	(52.3)
Increase (decrease) in short-term notes payable	(19.7)	(.2)
Cash dividends	(15.0)	(13.7)
Purchase of treasury stock	---	(115.6)
Other financing activities, net	4.7	.3
	-----	-----
Net cash used in financing activities	(23.9)	(181.5)
	-----	-----
Net increase (decrease) in cash and cash equivalents	(28.2)	(155.0)
Cash and cash equivalents at beginning of year	75.4	315.9
	-----	-----
Cash and cash equivalents at end of period	\$ 47.2	\$ 160.9
	=====	=====

Consolidated Statements of Stockholders' Equity
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions except per share) (Unaudited)

	Three Months Ended March 31, 1996	
	Shares	Amount
Common Stock	116,937,022 =====	\$ 117.0 =====
Additional Paid-in-Capital:		
Beginning balance		\$ 472.4
Net transactions		.2 -----
Ending balance		\$ 472.6 =====
Retained Earnings:		
Beginning balance		\$1,400.8
Net loss		(3.6)
Cash dividends, \$.14 per share		(15.0) -----
Ending balance		\$1,382.2 =====
Treasury stock:		
Beginning balance	8,588,427	\$ (192.7)
Shares reissued for employee stock plans and other purposes	(244,818) -----	5.5 -----
Ending balance	8,343,609 =====	\$ (187.2) =====
Loans to ESOTs:		
Beginning balance		\$ (85.5)
Accrued contribution		7.1 -----
Ending balance		\$ (78.4) =====
Other Equity Adjustments:		
Beginning balance		\$ (56.0)
Currency translation adjustment and amortization of deferred compensation		(3.6) -----
Ending balance		\$ (59.9) =====

Notes To Financial Statements
Louisiana-Pacific Corporation and Subsidiaries

1. The interim period information included herein reflects all adjustments which are, in the opinion of the management of L-P, necessary for a fair statement of the results of the respective interim periods. Such adjustments are of a normal recurring nature. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. It is suggested that these summary financial statements be read in conjunction with the financial statements and the notes thereto included in L-P's 1995 Annual Financial Report to Stockholders. Interim financial statements are by necessity somewhat tentative; judgments are used to estimate quarterly amounts for items that are normally determinable only on an annual basis.

2. Earnings per share is based on the weighted average number of shares of common stock outstanding during the periods (107,200,000 in 1996 and 107,040,000 in 1995). The effect of common stock equivalents is not material.

3. The effective income tax rate is based on estimates of annual amounts of taxable income, foreign sales corporation income and other factors. These estimates are updated quarterly.

4. Determination of interim LIFO inventories requires estimates of year-end inventory quantities and costs. These estimates are revised quarterly and the estimated annual change in the LIFO inventory reserve is expensed over the remainder of the year.

5. Reference is made to "Legal Proceedings" and to elsewhere in this report for a description of certain contingencies which may have a materially adverse effect on L-P and for a description of settlements of certain class action proceedings.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

General

An oversupply in structural panel markets, seasonal weakness in other building products and high pulp inventories around the world combined to cause L-P's sales and earnings to decline from year-ago levels. Overall net income fell to a net loss of \$3.6 million (\$.03 per share) in the first quarter of 1996 compared to net income of \$54.3 million (\$.50 per share) in 1995. Sales fell approximately 15 percent to \$584.1 million in the first quarter of 1996 from \$686.8 million in the first quarter of 1995.

L-P operates in two segments: building products and pulp. Building products is the most significant segment, accounting for more than 85 percent of sales during the first quarter of 1996 and 1995. The results of operations are discussed separately for each segment below. Key segment information, production volumes and industry product price trends are presented in the following tables labeled "Sales and Operating Profit by Major Product Group," and "Summary of Production Volumes" and "Industry Product Price Trends."

Building Products Segment

Building products segment sales in the first quarter of 1996 were \$533.6 million, a 10 percent decrease from first quarter 1995 sales of \$591.1 million. The decrease was spread across all product categories within the building products segment and was caused by seasonally weak demand compounded by a harsh winter across much of North America. Structural panel sales were negatively impacted by concerns about a flood of new OSB capacity hitting the market. Total structural panel sales declined by approximately 11 percent to \$234.0 million from \$261.9 million on 18 percent lower average selling prices, partially offset by higher volume from new OSB plants started up during the quarter. Total lumber sales dropped about 9 percent to \$138.4 million from \$152.0 million. Lumber sales volume dropped approximately 3 percent due to mill closures within the company which were offset by a higher volume of lumber sold through L-P's wholesale operations. Lumber prices dropped an average of 6 percent. Industrial panel products sales declined slightly more than 20 percent due a decrease of 6 percent in volume sold and an average selling price reduction of 15 percent. The decrease in sales in the other building products category was primarily attributable decreases in the sales of windows and doors, engineered wood products, veneer and by-products. These decreases were partially offset by an increase in sales of logs from L-P's California timberlands due to weather conditions which permitted increased logging.

Building products segment operating profits decreased nearly 67 percent to \$30.0 million from \$90.4 million in the first quarter of 1995. This decrease is primarily attributable to the decrease in sales discussed above. L-P was beginning to experience lower log costs in most areas of the country toward the end of the quarter.

L-P's building products are primarily sold as commodities and therefore sales prices fluctuate based on market factors over which L-P has no control. L-P cannot predict whether the prices of its building products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. Therefore, L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

Pulp Segment

Pulp sales dropped 47 percent in the first quarter of 1996 over first quarter 1995. Prices decreased an average of approximately 11 percent while volume decreased approximately 41 percent. World-wide pulp inventories were high at the beginning of 1996 and remained high through the first quarter, creating very weak pulp markets. Production volume was 60 percent of capacity in the first quarter of 1996 compared to 90 percent in the first quarter of 1995. The decreased volume resulted from the lack of demand and from unscheduled maintenance shut-downs. Pulp sales decreases have also caused export sales to decrease significantly as L-P sells the substantial majority of pulp to export customers.

Pulp segment operating profits were severely negatively impacted by the decreased sales, falling to a \$21.9 million loss in the first three months of

1996 from an \$18.8 million profit in the first three months of 1995. Pulp profits were also hurt by market write-downs of inventories during the quarter. L-P was beginning to experience lower wood chip costs in some areas in the first quarter of 1996.

L-P's pulp products are primarily sold as commodities and therefore sales prices fluctuate based on world-wide market factors over which L-P has no control. L-P cannot predict whether the prices of its pulp products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. Therefore, L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

Unallocated Expense

The decrease in unallocated expense is due to several factors. First, expense from stock compensation plans (plans with awards based on company performance) decreased due to the small loss in the first quarter of 1996. Second, contingency accruals were increased in the first quarter of 1995, while there was no significant increase in contingency accruals in 1996. Also, several non-recurring credits offset the total unallocated expense in the first quarter of 1996.

Interest Income (Expense)

L-P's interest expense was almost completely offset by capitalized interest in the first quarter of 1996, due to large construction amounts for new plants. Interest income decreased primarily due to lower levels of cash and cash equivalents in 1996.

Legal and Environmental Matters

Refer to the "Legal Proceedings" section of this Form 10-Q for a discussion of certain environmental litigation and other litigation and its potential impact on L-P.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations decreased significantly in 1996 over 1995 primarily due to the decrease in net income coupled with cash payments against contingency reserves. Cash used in investing activities decreased primarily because of decreased capital expenditures as several of the large construction projects for new OSB plants were winding down. Significant capital has also been expended for environmental projects (such as pollution control equipment) and upgrades of existing production facilities. L-P is budgeting capital expenditures, including timber and logging road additions, for all of 1996 of \$275 million to \$325 million.

Cash used in financing activities decreased to \$23.9 million in 1996 from \$181.5 million in 1995. Most of the decrease is due to the purchase of \$115.6 million of treasury stock in the first quarter of 1995, while there were no treasury stock purchases in 1996. L-P also repaid less debt in 1996.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (principally payments for siding litigation costs), total \$379.3 million at March 31, 1996, of which \$150 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of such estimates. As described in the "legal proceedings" section of this form 10-Q, L-P has been named as a defendant in other litigation for which reserves have not been established.

L-P continues to be in a strong financial condition with \$47 million in cash and cash equivalents and a low ratio of long-term debt as a percent of total capitalization. Although cash and cash equivalents have decreased, existing amounts, combined with borrowings available under L-P's \$300 million revolving credit facility and cash to be generated from operations are expected to be sufficient to meet projected cash needs including the payments related to the siding litigation costs referred to above. The company also believes that because of its conservative financial structure and policies, it has substantial financial flexibility to generate additional funds should the need arise.

Sales and Operating Profit by Major Product Group
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

Three Months Ended March 31,	1996	1995
Sales:		
Structural panel products	\$ 234.0	\$ 261.9
Lumber	138.4	152.0
Industrial panel products	46.6	58.5
Other building products	114.6	118.7
	-----	-----
Total building products	533.6	591.1
Pulp	50.5	95.7
	-----	-----
Total sales	\$ 584.1	\$ 686.8
	=====	=====
Export sales	\$ 79.5	\$ 127.3
	=====	=====
Operating profit (loss):		
Building products	\$ 30.0	\$ 90.4
Pulp	(21.9)	18.8
	-----	-----
Total operating profit (loss)	8.1	109.2
Unallocated expense, net	(13.1)	(22.7)
Interest income (expense), net	--	.8
	-----	-----
Income (loss) before taxes and minority interest	\$ (5.0)	\$ 87.3
	=====	=====

Louisiana-Pacific Corporation and Subsidiaries
 Summary of Production Volumes
 (Volume amounts stated in millions unless otherwise
 noted and as a percent of normal capacity)

	Quarter Ended March 31			
	-----		-----	
	1996		1995	
Inner-Seal/OSB, square feet 3/8" basis	828	82%	816	89%
Softwood plywood, square feet 3/8" basis	410	107	324	80
Lumber, board feet	282	69	340	56
Medium density fiberboard, square feet 3/4" basis	66	117	53	94
Particleboard, square feet 3/4" basis	80	89	90	100
Hardboard, square feet 1/8" basis	54	99	50	91
Hardwood veneer, square feet surface measure	50	79	73	116
Pulp, thousand short tons	87	60	134	90
Chips, thousand BDU's	422		472	

Industry Product Price Trends
Louisiana-Pacific Corporation and Subsidiaries

OSB ----- N. Central 7/16" basis 24/16 span rating -----	Plywood ----- Southern Pine 1/2" basis CDX 3 ply -----	Lumber ----- Framing lumber composite prices -----	Particleboard ----- Inland industrial 3/4" basis -----
---	---	--	---

Annual Average

1991	148	191	236	198
1992	217	248	287	200
1993	236	282	394	258
1994	265	302	405	295
1995	245	303	337	290

1995 First Quarter Average

287	362	386	301
-----	-----	-----	-----

1995 Fourth Quarter Average

253	285	325	277
-----	-----	-----	-----

1996 First Quarter Average

191	254	341	277
-----	-----	-----	-----

Weekly Average

April 5	184	240	354	277
April 12	196	242	356	277
April 19	207	245	369	277
April 26	218	255	385	277

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

The following sets forth the current status of certain legal proceedings:

Environmental Proceedings

In March 1995, L-P's subsidiary Ketchikan Pulp Company (KPC) entered into agreements with the federal government to resolve the issues related to water and air compliance problems experienced at KPC's pulp mill during the late 1980s and early 1990s. Under the agreements, KPC entered into a civil consent decree and pled guilty to one felony and thirteen misdemeanor violations of the Clean Water Act. The settlement required KPC to pay civil and criminal penalties of \$6.0 million, of which \$1.75 million was suspended in consideration of KPC's expenditures and ongoing efforts to improve its operations. The penalties were substantially reserved for at December 31, 1994. KPC also agreed to undertake further expenditures, which are primarily capital in nature, including certain remedial and pollution control related measures, with an estimated cost of up to approximately \$20 million. KPC has also agreed to undertake a study of whether a clean-up of Ward Cove, the body of water adjacent to the pulp mill, is needed. If the study determines that such clean-up is needed, KPC may be required to spend up to \$6 million on the clean-up, including the cost of the study, as part of the overall \$20 million of expenditures. At this time, the company cannot estimate what portion, if any, of the clean-up expenditures will be required.

The United States Department of Justice has stated its intention to seek civil penalties from KPC based upon alleged violations of the Clean Air Act involving a waste wood incinerator at KPC's Annette Island, Alaska, cant mill. KPC is engaged in discussions for a settlement that, if implemented, would require payment of a penalty.

In March 1996, an information was filed in the United States District Court for the Eastern District of Washington charging L-P with two misdemeanor counts related to alleged record-keeping violations in connection with the disposal by an independent contractor of transformers from a mill owned by L-P in 1991.

Although L-P's policy is to comply with all applicable environmental laws and regulations, the company has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Also, L-P is involved in other environmental actions and proceedings which could result in fines or penalties. Management believes that any fines, penalties or other losses resulting from the matters discussed above in excess of the reserve for environmental loss contingencies will not have a material adverse effect on the business, financial position or results of operations of L-P. See "Colorado Criminal Proceedings" for further discussion of an environmental action against the company.

Colorado Criminal Proceedings

L-P began an internal investigation at L-P's Montrose (Olathe), Colorado, oriented strand board (OSB) plant of various matters, including certain environmental matters, in the summer of 1992 and reported its initial finding of irregularities to governmental authorities in September 1992. Shortly thereafter, a federal grand jury commenced an investigation of L-P concerning alleged environmental violations at that plant. In 1995, additional subpoenas were issued requiring the production of evidence and testimony relating to alleged fraud in connection with the submission of unrepresentative OSB product samples to the APA-The Engineered Wood Association (APA), an industry product certification agency, by L-P's Montrose plant and certain of its other OSB plants. L-P then commenced an independent investigation, which was concluded in 1995, under the direction of former federal judge Charles B. Renfrew concerning irregularities in sampling and quality assurance in its OSB operations. In June 1995, the grand jury returned an indictment in the U.S. District Court in Denver, Colorado, against L-P, a former manager of the Montrose mill, and a former superintendent at the mill. L-P has been charged with 23 felony counts related to environmental matters at the Montrose mill, including alleged conspiracy, tampering with opacity monitoring equipment, and making false statements under the Clean Air Act. The indictment also charges L-P with 25 felony counts of fraud relating to alleged use of the APA trademark on OSB structural panel products produced by the Montrose mill as a result of L-P's allegedly improper sampling practices in

connection with the APA quality assurance program. No trial date has been set.

In December 1995, L-P received a notice of suspension from the United States Environmental Protection Agency ("EPA") stating that, because of criminal proceedings pending against L-P in Colorado, agencies of the federal government would be prohibited from purchasing from L-P's Northern Division. L-P is negotiating to have the EPA suspension lifted or modified based on positive environmental programs actively underway. While negotiations are continuing, the EPA has approved a preliminary agreement limiting the prohibition to L-P's Montrose, Colorado, facility for a period of six months in recognition of L-P's environmental compliance efforts. Under recently revised regulations of the United States Department of Agriculture, the EPA suspension may also have the effect of prohibiting L-P's Northern Division from purchasing timber from the United States Forest Service.

At the present time, L-P cannot predict whether or to what extent these circumstances will result in further civil litigation or investigation by government authorities, or the potential financial impact of any such current or future proceedings. However, the resolution of the above matters could have a materially adverse impact on L-P.

OSB Siding Matters

L-P has been named as a defendant in at least 12 purported class actions filed in various jurisdictions, as well as numerous non-class action proceedings, brought on behalf of various persons or purported classes of persons (including nationwide classes in the United States and Canada) who own or have purchased or used OSB siding manufactured by L-P, because of alleged unfair business practices, breach of warranty, misrepresentation, conspiracy to defraud, and other theories related to alleged defects, deterioration, or failure of OSB siding products.

A settlement of one of the OSB siding class actions has been approved by the Circuit Court for Lake County, Florida. Under the settlement, L-P has established a claims procedure pursuant to which members of the settlement class may report problems with L-P's OSB siding and have their properties inspected by an independent adjuster, who will measure the amount of damage and also determine the extent to which improper design, construction, installation, finishing, painting, and maintenance may have contributed to any damage. The maximum payment for damaged siding will be \$3.40 per square foot for lap siding and \$2.82 per square foot for panel siding, subject to reduction of up to 75 percent for damage resulting from improper design, construction, installation, finishing, painting, or maintenance, and also subject to reduction for age of siding more than three years old. L-P has agreed with attorneys representing the class that if the national class settlement in the federal court in Oregon described below becomes final, then the deduction from the payment to a member of the Florida class will be not greater than the deduction computed for a similar claimant under the national settlement agreement. Class members will be entitled to make claims for up to five years after October 4, 1995.

In April 1996, the United States District Court for the District of Oregon approved an amended settlement agreement between L-P and attorneys representing a nationwide class composed of all persons who own, who have owned, or who subsequently acquire property on which L-P's OSB siding was installed prior to January 1, 1996, excluding persons who timely opt out of the settlement and persons who are members of the settlement class in the Florida litigation. Under the settlement agreement, an eligible claimant whose claim is filed prior to January 1, 2003 (or earlier in certain cases), and is approved by an independent claims administrator will be entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (to be determined by a third-party construction cost estimator) of damaged siding, reduced by a specific adjustment (of up to 65 percent) based on the age of the siding. Class members who have previously submitted or resolved claims under any other warranty or claims program of L-P may be entitled to receive the difference between the amount which would be payable under the settlement agreement and the amount previously paid. Independent adjusters will determine the extent of damage to OSB siding at each claimant's property in accordance with a specified protocol. There will be no adjustment to settlement payments for improper maintenance or installation.

A claimant who is dissatisfied with the amount to be paid under the settlement may elect to pursue claims against L-P in a binding arbitration seeking compensatory damages without regard to the amount of payment calculated under the settlement protocol. A claimant who elects to pursue an arbitration claim must prove his entitlement to damages under any available legal theory, and L-P may assert any available defense, including defenses that otherwise had been waived under the settlement agreement. If the

arbitrator reduces the damage award otherwise payable to the claimant because of a finding of improper installation, the claimant will be entitled to pursue a claim against the contractor/builder to the extent the award was reduced.

L-P will be required to pay \$275 million into the settlement fund in seven annual installments beginning in mid-1996: \$100 million, \$55 million, \$40 million, \$30 million, \$20 million, \$15 million, and \$15 million. If at any time after the fourth year of the settlement period the amount of approved claims (paid and pending) equals or exceeds \$275 million, then the settlement agreement will terminate as to all claims in excess of \$275 million unless L-P timely elects to provide additional funding within 12 months equal to the lesser of (i) the excess of unfunded claims over \$275 million or (ii) \$50 million and, if necessary to satisfy unfunded claims, a second payment within 24 months equal to the lesser of (i) the remaining unfunded amount or (ii) \$50 million. If the total payments to the settlement fund are insufficient to satisfy in full all approved claims filed prior to January 1, 2003, then L-P may elect to satisfy the unfunded claims by making additional payments into the settlement fund at the end of each of the next two 12-month periods or until all claims are paid in full, with each additional payment being in an amount equal to the greater of (i) 50 percent of the aggregate sum of all remaining unfunded approved claims or (ii) 100 percent of the aggregate amount of unfunded approved claims, up to a maximum of \$50 million. If L-P fails to make any such additional payment, all class members whose claims remain unsatisfied from the settlement fund may pursue any available legal remedies against L-P without regard to the release of claims provided in the settlement agreement. If L-P makes all payments required under the settlement agreement, including all additional payments as specified above, class members will be deemed to have released L-P from all claims for damaged OSB siding, except for claims arising under their existing 25-year limited warranty after termination of the settlement agreement. In the event all claims filed prior to January 1, 2003, that are approved have been paid without exhausting the settlement fund, any amounts remaining in the settlement fund revert to L-P. In addition to payments to the settlement fund, L-P will be required to pay fees of class counsel in the amount of \$26.25 million, as well as expenses of administering the settlement fund and inspecting properties for damage, any amounts of arbitration awards in excess of the amounts calculated under the settlement protocol, and certain other costs.

Potential members of the settlement class may elect to opt out of the settlement class until May 27, 1996, subject to L-P's right to withdraw from the settlement if there are excessive elections to opt out. Any notice of appeal from the court's order approving the settlement must be filed by May 29, 1996.

During 1995, the Attorneys General of the states of Florida, Oregon, and Washington initiated separate proceedings concerning production, testing, marketing, and performance of L-P's OSB siding and other attorneys general have also made inquiries concerning the same topics. In January 1996, L-P entered into settlement agreements with the Attorneys General of the states of Oregon and Washington. Under the settlement agreements, L-P did not admit any wrongdoing, but agreed to pay \$1 million to the Wood Materials and Engineering Research Activities of Washington State University, \$.5 million to the Oregon Consumer Protection and Education Revolving Account, plus a civil penalty and costs of \$.4 million. The settlement agreements also obligate L-P to ensure that its marketing claims are appropriately substantiated. In April 1996, L-P reached a settlement agreement concluding the Florida Attorney General's proceeding without any admission of wrongdoing; the settlement provides for payment by L-P of \$750,000, including a \$600,000 contribution to Florida A & M University Foundation, Inc.

L-P maintains reserves for the estimated costs of these siding settlements, although, as with any estimate, there is uncertainty concerning the actual costs to be incurred.

Other OSB Matters

In July 1995, an action entitled *MacDonald v. Louisiana-Pacific Corporation* was filed in Superior Court for the State of California for the County of San Diego, purporting to be a consumer action brought on behalf of the general public in California. The action alleges that L-P violated the California Unfair Business Practices Act through allegedly fraudulent APA certification, quality sampling, advertising, and marketing of OSB products. The complaint seeks, among other relief, restitution to members of the public who purchased L-P's OSB products, return of moneys obtained by L-P from allegedly fraudulent sales, imposition of an asset freeze and constructive trust, and various forms of injunctive relief. The action has been dismissed without prejudice to plaintiff's right to refile the complaint at a later date. A similar action, entitled *Carney v. Louisiana-Pacific Corporation*, was filed in October 1995 in the Superior Court of the State of California for the City and County of San Francisco seeking restitution and injunctive relief.

In September 1995, a complaint entitled Agius v. Louisiana-Pacific Corporation was filed in the United States District Court for the Northern District of California naming L-P as a defendant in a purported class action seeking damages and injunctive relief for violation of the Lanham Act, breach of warranty, and violation of California consumer protection statutes, based on alleged fraud and misrepresentation in connection with testing, APA certification, and marketing of OSB products.

In January 1996, an action entitled Stewart v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District of Colorado. Plaintiff seeks to represent a purported class consisting generally of owners and purchasers of buildings in which L-P's OSB panels are used for flooring, sheathing, or underlayment. The complaint seeks damages in an unspecified amount and equitable relief by reason of alleged fraud, misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structure panels and alleged premature deterioration of OSB panels.

In February 1996, an action entitled Mellett v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District for Oregon. Plaintiff seeks to represent a purported class consisting generally of purchasers and owners of structures in which L-P's OSB panels are used for sheathing. The complaint seeks damages in an unspecified amount, including punitive damages, by reason of alleged fraud, negligent misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structural panels.

At the present time, L-P cannot predict the potential financial impact of the above actions. However, the resolution of the above matters could have a materially adverse impact on L-P.

Stockholder Actions

L-P and certain of its present and former executive officers were named as defendants in numerous actions brought on behalf of various purported classes of purchasers of L-P's common stock. The actions subsequently were consolidated in the United States District Court for the District of Oregon under the caption IN RE LOUISIANA PACIFIC CORP. SECURITIES LITIGATION, Civil Action No. 95-707-JO. Plaintiffs seek to recover damages under the securities laws for alleged failures to disclose or improper disclosures generally relating to the various legal proceedings described above and the matters that are the subject of such proceedings. Motions to Dismiss have been denied and the Court has conditionally certified the class as requested by the attorneys appointed to act as lead counsel for the plaintiff class. L-P is defending the consolidated action vigorously, but is unable to make any prediction as to the likely outcome or the financial impact of an adverse decision. However, the resolution of the above matters could have a materially adverse impact on L-P.

Five individual directors (Messrs. du Pont, Kayser, and Yeager, Ms. Hill and Mrs. Neff) and three former directors of the registrant have been named as defendants in ten stockholder derivative actions, which also name the registrant as a nominal defendant. Eight of these actions were brought in the Court of Chancery of the State of Delaware in and for New Castle County and have been consolidated under the caption In re Louisiana-Pacific Corporation Derivative Litigation, Civil Action No. 14322 (the "Delaware action"). One action, captioned Silverman, et al. v. Merlo, et al., No. 9505-03630, was brought in the Circuit Court of the State of Oregon for the County of Multnomah (the "Oregon action"). The remaining action, captioned Rand v. Merlo, et al., No. 95-Z-1511, was brought in the United States District Court for the District of Colorado (the "Colorado action"). The actions seek to recover damages from the directors on behalf of the corporation because of alleged mismanagement and breaches of fiduciary duty generally related to the various legal proceedings described above and the matters that are the subject of such legal proceedings. The individual directors, former directors, the registrant, and attorneys representing plaintiffs have entered into a memorandum of understanding concerning a proposed settlement of the derivative actions without payment by the directors or former directors or any admission of liability. The settlement recognizes the recent management changes effected by the registrant and certain other actions taken and to be taken by the registrant with respect to quality control. The proposed settlement is subject to confirmatory discovery by attorneys for plaintiffs and approval by the courts.

Executive Employment Matter

In January 1996, an action entitled International Paper Company v. Mark A. Suwyn and Louisiana-Pacific Corporation was instituted in the United States District Court for the Southern District of New York claiming that Mr. Suwyn's employment as chief executive officer of L-P violated the terms of a previous employment agreement with the plaintiff. The complaint seeks an injunction prohibiting Mr. Suwyn from continuing his employment with L-P for 18 months and other relief. L-P believes there are meritorious defenses related to this case and does not believe that there is any material liability related to this case.

Other

L-P and its subsidiaries are parties to other legal proceedings. Management believes that the outcome of such proceedings will not have a material adverse effect on the business, financial position or results of operations of L-P.

Item 6. Exhibits and Reports on Form 8-K.

- (a) The exhibits filed as part of this report or incorporated by reference herein are listed in the accompanying exhibit index.
- (b) Reports on Form 8-K. No reports on Form 8-K were filed during the quarter ended March 31, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

By /s/ WILLIAM L. HEBERT
William L. Hebert
Vice President - Treasurer
and Controller
(Principal Financial Officer)

DATED: May 15, 1996

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10	Settlement Agreement dated October 18, 1995, between the registrant and attorneys representing plaintiffs in siding class action litigation. Incorporated by reference to Exhibit 10 to the registrant's report on Form 10-Q for the quarter ended September 30, 1995.
10.A	Amendment to Settlement Agreement dated April 26, 1996, between the registrant and attorneys representing plaintiffs in siding class action litigation.
11	Calculation of Net Income Per Share for the Three Months Ended March 31, 1996.
27	Financial Data Schedule.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

IN RE: Civil No. 95-879-J0-LEAD

LOUISIANA-PACIFIC INNER-SEAL(R) AMENDMENT TO SETTLEMENT
SIDING LITIGATION AGREEMENT

THIS AMENDMENT TO SETTLEMENT AGREEMENT ("Amendment") is dated this 26th day of April, 1996 by and among (i) the Plaintiffs in the above litigation, for themselves and on behalf of the Settlement Class as that term is defined in the October 18, 1995 Settlement Agreement ("Plaintiffs"); (ii) Defendant Louisiana-Pacific Corporation ("L-P"); and (iii) Defendant Harry Merlo ("Merlo"), collectively, the "Parties."

BACKGROUND

The Parties entered into a Settlement Agreement on October 18, 1995 and subsequent thereto, the Settlement Agreement received preliminary approval on October 18, 1995. Since execution of the Settlement Agreement, Plaintiffs and L-P have negotiated certain issues and clarifications. The purpose of this Amendment is to incorporate all such changes and clarifications into the Settlement Agreement.

AGREEMENT

Subject to court approval as required by the Federal Rules of Civil Procedure, it is hereby stipulated and agreed by the Parties that the Settlement Agreement be amended as follows:

1. Definitions

1.1 All definitions herein shall have the same meaning and definition as set forth in the Settlement Agreement except as specifically stated herein.

1.2 The term "Settlement Class" was not intended to include, nor does it include, builders and developers who previously owned but no longer own structures with Exterior Inner-Seal Siding.

1.3 The definition of the term "Settled Claim" is revised by adding the following: "A 'Settled Claim' does not include any claim for consequential damages to other structural components caused by the failure or repair of Exterior Inner Seal(TM) Siding or to claims made against L-P after the expiration of the term of the Settlement Agreement under the express terms of the L-P 25-year Limited Warranty issued with the product."

2. Cost of Repair

Plaintiffs and L-P hired R.S. Means, an independent construction estimating firm, to determine the cost of repair and replacement throughout the country ("Replacement Costs") which include replacement product, labor, materials, installation and painting. Over 300 locations were estimated and identified by zip code. The R.S. Means calculation of Replacement Costs shall be used by the Claims Administrator to calculate compensation for damaged siding in connection with administration of the Settlement Agreement.

The R.S. Means' Replacement Costs do not include the cost of securing a permit, because local permitting requirements vary widely from location to location. However, if a permit is actually required from the local governmental entity to perform the work, the cost of the permit will be reimbursed from the Settlement Fund upon submission of a receipt therefore to the Claims Administrator.

3. Inspection Protocol

Since the Settlement Agreement was executed, Plaintiffs and L-P have implemented the terms of the Agreement in a Protocol and Manual for use in connection with determining damaged siding. The Protocol is attached hereto as Exhibit A and the Manual is attached hereto as Exhibit B (A final "photo-ready" version of the Training Manual will be prepared, mutually

approved by plaintiffs and L-P and used to train independent inspectors).

With respect to definitions and procedures contained in the Protocol, Plaintiffs and L-P agree to the following changes:

a. Moisture Content

Paragraph 5(B)(b) of the Protocol is changed to read: "Moisture content in excess of 25%."

b. Partial Walls

Paragraph 2 of the Protocol is changed to read as follows:

a. The damaged lap siding (not panel) on a particular wall (i.e., one side of the structure consisting of all parallel faces) is greater than 65% of the entire wall; and the damage is dispersed over the entire surface of the wall such that if a 9 panel grid were superimposed over the entire wall damage would appear in a minimum of 5 of the panels (in this regard, the Independent Adjuster will have available to him representative grids for different styles of structures on which to indicate the location of the damage to the siding) provided that 2 of the panels are in the top 3 panels.

b. The partial walls percentages can be satisfied through cumulative inspections. For example, if on its first inspection, a wall of a home is found to contain 50% damaged L-P siding, the claimant will be paid the Replacement Cost of that product. If the house is inspected at a later date and found to have at least an additional 15% damaged L-P siding on the same wall on which 50% of damaged siding occurred previously, the claimant will be paid the Replacement Cost for that additional damaged siding and, if the aggregate damage found in the initial and subsequent inspections is dispersed over the entire wall such there is damage in at least two of the top three panels of the grid, the claimant will be compensated for replacement of all damaged siding on the wall that was not previously replaced upon submission of satisfactory evidence of having repaired the entire wall of the structure.

c. The training manual may be modified in light of training or field experience by agreement of the parties.

c. Fungal Degradation and Decay

Decay is the decomposition of wood material by fungi. However, not all fungi cause decay. Mold fungi must be distinguished from decay fungi. Molds are surface fungi, often feeding off the paint finish and air-deposit soil and must not be considered as damage. Decay fungi, by contrast, digests wood cell walls and, when found, indicates damage. Mold producing fungi generally appear as powdery or fuzzy surface growth, usually giving a black discoloration. Algae are another type of surface growth that will not damage the substrate. Algae typically will be green in color. These growths present an aesthetic distraction, but do not result in decay and do not indicate damage.

Decay fungi, by contrast, usually are not visible until they develop fruiting bodies, unless the wall is opened. Some of these fruiting bodies can be quite large and obvious to view, but those of other fungal species may remain small and rather inconspicuous.

Refer to the photos below to identify decay fungi affecting the wood substrate.

d. Tools/Inspection

1) Moisture Meter

Independent inspectors shall use a moisture meter, e.g., the J-2000 manufactured by Delmhorst Instrument Co., Towaco, NJ. The meter must be able to clearly display the moisture reading; and, if technically feasible, be calibrated for L-P siding. The moisture meter must be operated in accordance with the manufacturer's instructions; must not be used on siding with a wet surface unless it has insulated pins; and temperature correction tables must be used where appropriate.

In order to avoid unnecessary damage to the siding, the moisture meter test should only be performed if the inspector previously has found checking

or excessive edge swell on the board being inspected.

2) Edge Check Probe

The edge check probe shall be a special tool machined according to the specifications of the Protocol and approved by LP and Class Counsel. The following instructions should be incorporated into the training manual: "The edge checking is excessive if the probe can be inserted using only the pressure of the thumb and forefinger grip, without any prying."

3) Buckling

In order to measure buckling, the inspector shall use a straight edge that is 32" long, with 1" thick spacer blocks adjustable between 16" to 32". In operating the straight edge, the inspector will need to determine the spacing of the vertical framing in the wall. The inspector will then adjust the 1/4" spacer blocks to that spacing. Place straight edge against the wall horizontally, with spacers placed over framing members. The amount of buckling is unacceptable if the spacer blocks cannot both be in contact with the wall at the same time, if buckling is outward. If buckling is inward, the gap between the straight edge and the wall should be no greater than 1/2".

4. Regional Allocation

The Plaintiffs and L-P have determined that regional allocation is not in the best interests of the class. Accordingly, claims shall be processed in the order received without reference to the square footage of Exterior Inner-Seal(TM) Siding sold within the region.

5. Clarification of Release

Attached as Exhibit C is a copy of the March 15, 1996, letter setting forth the clarification of the Plaintiffs' and L-P's intent regarding the scope of the release insofar as the release relates to individuals and companies involved in the distribution, installation, construction and first time sale of structures with Exterior Inner-Seal(TM) Siding.

6. Clarification of Release/L-P 25-Year Limited Warranty

The release in the Settlement Agreement is amended to exclude claims filed against L-P after the expiration of the Settlement Agreement by consumers under the terms of the L-P 25-year Limited Warranty. At the termination of the Settlement Agreement, L-P's 25-year Limited Warranty shall be in effect for the balance of its term when measured from the date of original installation of the claimant's siding.

7. Claims for Unreimbursed Repair

Paragraph 5.7c. of the Settlement Agreement provides recovery for Class Members who previously have performed repairs at their own expense and without reimbursement from L-P, provided they establish entitlement to such recovery by evidence in accordance with the terms of the Settlement Agreement. Such evidence shall include a receipt or a declaration from a contractor or other persons performing the repair and shall include, if possible, photographs evidencing the damage to the siding and repair that was undertaken.

8. Emergency Unreimbursed Repairs

Claims for Unreimbursed Repairs (including repairs effectuated between November 17, 1995 and the date of Final Approval) may also be filed by Eligible Claimants who make emergency repairs to damaged Exterior Inner-Seal Siding in order to avoid imminent damage to other property of the claimant that will result if such repairs are not promptly made (including damage to the interior wall cavity of the house, its stud works and sheathing). Eligible Claimants may file a Claim for Unreimbursed Repairs (Settlement Agreement, Exhibit "D") covering such emergency repairs upon compliance with the following:

- a. The Eligible Claimant must first call the Claims Administrator and request an Emergency Inspection before completing repairs. If an inspection cannot be completed within ten (10) days, the Eligible Claimant may proceed with the emergency repair and, subject to the further requirements of subsections (b) and (c) below, may file a claim for such unreimbursed repairs.
- b. A claim for Emergency Unreimbursed Repairs must be supported by the following evidence:
 - (1) Photographic or video evidence of the pre-repair siding on the structure, including all damaged areas;

- (2) That repair or replacement for which reimbursement is sought was limited to Damaged Exterior Inner-Seal Siding that was replaced on an emergency basis in order to avoid imminent damage to other property of the claimant; and
 - (3) The Eligible Claimant must retain for verifying inspection any replaced siding for a period of thirty (30) days following filing of the Claim for Unreimbursed Repairs.
- c. Claims for Emergency Unreimbursed Repairs must be made to the Claims Administrator within one year of the date of the repair.

9. Arbitration

Arbitration with L-P shall be available to Class Members if they are dissatisfied with the amount offered after inspection under the Protocol, as follows:

- a. If a claimant is not satisfied with the payment offered after inspection under the Protocol, the claimant can elect to go to arbitration as to the amount of compensatory damages to be awarded.
- b. The election to arbitrate must be made within 30 days of notification of amount offered to be paid under the Protocol.
- c. The claimant must pay an arbitration fee of \$300 for each arbitration; L-P must pay any additional arbitration fees.
- d. In any arbitration, the claimant and L-P shall each bear their own attorneys fees.
- e. If the arbitrator finds that damage to L-P Siding claimed by a class member, is caused in whole or in part, by improper installation, the arbitrator shall determine the percentage of the damage attributable thereto (the "Installation Damage"). Thereafter, the claimant may pursue a claim against its contractor/builder for such Installation Damage to the extent the arbitration award was diminished by a finding of such Installation Damage; and the release of the contractor/builder set forth in the Settlement Agreement, as clarified in paragraph_5 of this Amendment, may not be asserted as a defense in any such action. The decision of the arbitrator shall not be admissible in any subsequent action between a claimant and a contractor/builder. The contractor/builder shall retain all claims and defenses at any proceeding between the claimant and the contractor/builder.

Except as provided herein, the release of the contractor/builder shall remain in full force and effect as to all other claims and as to the recovery of any amount in excess of the Installation Damage. To the extent allowed by law, the applicable statutes of limitation on any claim to recover Installation Damage shall be tolled from the effective date of the Settlement Agreement to the date of the arbitration award.

- f. The result of the arbitration shall be binding, with no right to appeal.
- g. With respect to any such arbitration, the claimant may assert any claims he may have for compensatory damages against L-P under any legal theory available to him and L-P may assert any legal or factual defenses it has to such claims, including any defenses waived under the Settlement Agreement.
- h. Arbitration fees will not be paid out of the Settlement Fund; however, the arbitration award, if any, will be paid out of the Settlement Fund, but only up to the amount offered under the Protocol--the remainder, if any, will be paid separately by L-P outside of the Settlement Fund.
- i. There will be no discovery in arbitration, other than inspection of premises and production of maintenance records.
- j. Any such arbitration will be held at the arbitrator's office or other mutually agreeable suitable location in claimant's jurisdiction.
- k. The details of arbitration process will be determined by L-P and Plaintiffs with the assistance of a Special Master to be appointed by the Court, with the goal being to maximize fairness and efficiency, and minimize cost. The Special Master's fees shall be paid 50% by L-P and 50% by Class Counsel.

10. Payment of Costs of Claims Administrator Settlement Fund Trustee and Adjusters

In addition to its obligation to fund the Settlement Fund in accordance with paragraph 14 of the Settlement Agreement, L-P shall pay directly all costs incurred in connection with the retention and operation of the Claims Administrator and the Independent Adjusters. Notwithstanding such payment, the activities of the Claims Administrator and the Independent Adjusters will remain the joint responsibility of L-P and Class Counsel; any disputes between L-P and Plaintiffs respecting the activities of the Claims Administrator Settlement Trustee or the Independent Adjusters shall be submitted for resolution to a Special Master appointed by the Court.

11. Binding Effect

Except for the specific modifications and clarifications as set forth herein, as between Plaintiffs and L-P all other terms and conditions of the Settlement Agreement shall remain in full force and effect without modification. There are no other modifications or clarifications to the Settlement Agreement as between Plaintiffs and L-P not set forth in this Amendment and as to all other terms and conditions, the terms and conditions of the Settlement Agreement shall control.

12. First Opt-Out Period

The First Opt-Out Period shall be extended to May 27, 1996.

13. Right to Withdraw

If the total number of Settlement Class members who elect to opt out of the Settlement Class during the period April 26, 1996 to May 27, 1996 is, in L-P's opinion, excessive, L-P shall have the independent right to withdraw from the Settlement Agreement by giving written notice thereof to Class Counsel no later than close of business, June 7, 1996, PDT.

14. Counterparts

This Amendment to Settlement Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

DATED this 26th day of April, 1996.

Louisiana-Pacific Corporation

By: /S/ STEPHEN GRANT
Stephen Grant
Its: Senior Vice-President

By: /S/ MICHAEL H. SIMON
Michael H. Simon
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EXHIBIT 11

Louisiana-Pacific Corporation and Subsidiaries
 Calculation of Net Income Per Share
 For the Three Months Ended March 31, 1996

	Number of shares	
	----- Including Common Stock Equivalents -----	----- Excluding Common Stock Equivalents (1) -----
Weighted average number of shares of common stock outstanding	116,937,022	116,937,022
Weighted average number of shares sold to ESOTs subsequent to January 1, 1994, not allocated to participants' accounts (2)	(1,325,103)	(1,325,103)
Weighted average number of shares of treasury stock held during the period	(8,416,175)	(8,416,175)
Common stock equivalents: Application of the "treasury stock" method to stock option and purchase plans	180,350 -----	--- -----
Weighted average number of shares of common stock and common stock equivalents	107,376,094 =====	107,195,744 =====
Rounded to	107,380,000 =====	107,200,000 =====
Net income (loss)	\$(3,600,000) =====	\$(3,600,000) =====
Net income (loss) per share	\$ (.03) =====	\$ (.03) =====

(1) Accounting Principles Board Opinion No. 15, "Earnings Per Share", allows companies to disregard dilution of less than three percent in the computation of earnings per share. Therefore, shares used in computing earnings per share for financial reporting purposes is 108,470,000 shares.

(2) American Institute of Certified Public Accountants Statement of Position No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans" requires that shares held by L-P's ESOTs which were acquired by the ESOTs on or after January 1, 1994, which are not allocated to participant's accounts, are not considered outstanding for purposes of computing earnings per share. Shares held by the ESOTs which were acquired by the ESOTs prior to January 1, 1994, continue to be considered outstanding (whether or not allocated to participant's accounts) for purposes of computing earnings per share.

This schedule contains summary financial information extracted from Consolidated Summary Financial Statements and Notes included in this Form 10-Q and is qualified in its entirety by reference to such financial statements.

1,000
 DEC-31-1996
 MAR-31-1996
 3-MOS

		47,200
		0
	134,900	
		0
	288,100	
	567,200	
		2,647,200
	(1,169,900)	
	2,768,200	
435,800		
	205,500	
0		
		0
	117,000	
	1,529,300	
2,629,800		
	584,100	
584,100		
	510,800	
	589,100	
	0	
	0	
	100	
	(5,000)	
	(1,900)	
(3,600)		
	0	
	0	
		0
	(3,600)	
	(.03)	
	0	