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BUILDING PRODUCTS



# Louisiana-Pacific Corporation

Q3 2011 Financial Results  
November 7, 2011

These slides were prepared and should be read in conjunction with the earnings release by LP's management on November 7, 2011 relating to LP's financial condition and results of operations as of and for the quarter ended September 30, 2011. 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 November 7, 2011.

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# 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](http://www.lpcorp.com) under the Investor Relations Presentations section.



# Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	September 30, 2011	June 30, 2011	September 30, 2010
Net sales	\$ 350.6	\$ 362.4	\$ 322.8
Operating income (loss)	\$ (72.7)	\$ (23.6)	\$ (15.9)
Income (loss) from continuing operations	\$ (59.3)	\$ (32.9)	\$ (30.9)
Net income (loss)	\$ (65.6)	\$ (35.4)	\$ (32.0)
Diluted EPS from continuing operations	\$ (0.44)	\$ (0.25)	\$ (0.23)
Diluted EPS	\$ (0.49)	\$ (0.27)	\$ (0.24)
Adjusted EBITDA from continuing operations	\$ (6.4)	\$ (6.9)	\$ 3.6
Tax rate on continuing operations	26%	20%	35%
Average shares outstanding - basic	134.5	131.4	131.1
- diluted	134.5	131.4	131.1



# Financial Results – Year to Date

Dollar amounts in millions, except per share amounts

	Nine Months Ended September 30,	
	2011	2010
Net sales	\$ 1,044.7	\$ 1,067.3
Operating income (loss)	\$ (114.5)	\$ 10.3
Income (loss) from continuing operations	\$ (115.1)	\$ (29.8)
Net income (loss)	\$ (124.1)	\$ (32.2)
Diluted EPS from continuing operations	\$ (0.87)	\$ (0.23)
Diluted EPS	\$ (0.94)	\$ (0.25)
Adjusted EBITDA from continuing operations	\$ (3.5)	\$ 81.3
Tax rate on continuing operations	24%	32%
Average shares outstanding - basic	132.4	128.5
- diluted	132.4	128.5



# Reconciliation of Special Items

Dollar amounts in millions, except per share amounts

	<u>Q3 2011</u>	<u>Q2 2011</u>	<u>Q3 2010</u>	<u>2011</u>	<u>2010</u>
Income (loss) from continuing operations	\$ (59.3)	\$ (32.9)	\$ (30.9)	\$ (115.1)	\$ (29.8)
<b>Less “special items”:</b>					
(Gain) loss on sale or impairment of long-lived assets	65.0	2.5	0.9	73.0	2.1
Other than temporary investment impairment	-	-	16.9	-	16.9
Other operating credits and charges	(9.8)	(0.6)	2.3	(11.2)	2.8
	<u>55.2</u>	<u>1.9</u>	<u>20.1</u>	<u>61.8</u>	<u>21.8</u>
Provision for income taxes *	(21.4)	(0.7)	(1.4)	(23.9)	(2.1)
After tax effect of “special items”	<u>33.8</u>	<u>1.2</u>	<u>18.7</u>	<u>37.9</u>	<u>19.7</u>
Adjusted income from continuing operations excluding “special items”	<u>\$ (25.5)</u>	<u>\$ (31.7)</u>	<u>\$ (12.2)</u>	<u>\$ (77.2)</u>	<u>\$ (10.1)</u>
Adjusted income from continuing operations excluding “special items” per diluted share	<u>\$ (0.19)</u>	<u>\$ (0.24)</u>	<u>\$ (0.09)</u>	<u>\$ (0.58)</u>	<u>\$ (0.08)</u>

\* Based upon marginal tax rate of 38.7%



# OSB

Dollar amounts in millions

	<u>Q3 11</u>	<u>Q2 11</u>	<u>Q3 10</u>	<u>Year to Date</u>	
				<u>2011</u>	<u>2010</u>
Sales	\$ 138.8	\$ 140.6	\$ 140.1	\$ 411.4	\$ 475.5
Profit (loss) <sup>a</sup>	\$ (16.0)	\$ (22.9)	\$ (5.0)	\$ (48.0)	\$ 384.4
Adjusted EBITDA <sup>b</sup>	\$ (6.7)	\$ (13.3)	\$ 4.6	\$ (19.6)	\$ 67.1
Percentage Changes:					
Sales		(1%)	(1%)		(13%)
Adjusted EBITDA		(50%)	(246%)		(129%)
<u>Volume</u>		2%	5%		5%
<u>Price</u>		-	(7%)		(19%)

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# Siding

Dollar amounts in millions

	Dollar amounts in millions			Year to Date	
	<u>Q3 11</u>	<u>Q2 11</u>	<u>Q3 10</u>	<u>2011</u>	<u>2010</u>
Sales	\$ 112.0	\$ 118.6	\$ 104.6	\$ 336.6	\$ 325.0
Profit <sup>a</sup>	\$ 11.8	\$ 11.3	\$ 9.3	\$ 35.9	\$ 39.6
Adjusted EBITDA <sup>b</sup>	\$ 15.8	\$ 15.3	\$ 13.1	\$ 48.5	\$ 54.2

## Percentage Changes:

Sales	(6%)	7%	4%
Adjusted EBITDA	3%	21%	(11%)

## Volume

SmartSide	(6%)	10%	5%
Canoxel	(31%)	(29%)	(12%)

## Price

SmartSide	1%	5%	3%
Canoxel	(4%)	5%	15%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# Engineered Wood Products

Dollar amounts in millions

	<u>Q3 11</u>	<u>Q2 11</u>	<u>Q3 10</u>	<u>Year to Date</u>	
				<u>2011</u>	<u>2010</u>
Sales	\$ 54.9	\$ 53.6	\$ 38.0	\$ 156.9	\$ 142.7
Profit (loss) <sup>a</sup>	\$ (3.2)	\$ (3.2)	\$ (4.9)	\$ (11.9)	\$ (15.9)
Adjusted EBITDA <sup>b</sup>	\$ (0.2)	\$ -	\$ (2.5)	\$ (1.4)	\$ (6.1)
Percentage Changes:					
Sales		2%	44%		10%
Adjusted EBITDA			92%		77%
<u>Volume</u>					
IJ		5%	26%		(19%)
LVL/LSL		2%	71%		14%
<u>Price</u>					
IJ		3%	(3%)		4%
LVL/LSL		1%	(4%)		3%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	September 30, <u>2011</u>	December 31, <u>2010</u>
Total cash and investments	\$ 375.1	\$ 435.8
Working capital	\$ 547.1	\$ 578.6
Net cash (debt)	\$ 136.9	\$ 209.7
Capital expenditures YTD (excludes investments in JVs)	\$ 13.4	
Book value per share	\$ 7.91	\$ 9.22

# Appendix

Note: Refer to LP Form 8K filed on November 7, 2011 for the reconciliation of EBITDA from continuing operations and Adjusted EBITDA from continuing operations



# Appendix

## Dollar amounts in millions

	September 30, 2011	December 31, 2010
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 690.8	\$ 713.6
Current liabilities	(143.7)	(135.0)
Working capital	<u>\$ 547.1</u>	<u>\$ 578.6</u>
 <u>Calculation of "Net Debt"</u>		
Long-term debt	\$ (716.2)	\$ (714.5)
Current portion of long term debt and short term notes payable	(10.6)	(0.2)
Notes receivable from assets sales*	488.6	488.6
Total cash and investments	375.1	435.8
Net cash and investments	<u>\$ 136.9</u>	<u>\$ 209.7</u>
 <u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 360.1	\$ 389.3
Restricted cash	14.5	31.1
Long-term investments	0.5	15.4
Total cash and investments	<u>\$ 375.1</u>	<u>\$ 435.8</u>

\* Portion of the notes receivable that equates to the limited recourse notes payable