

Louisiana-Pacific Corporation

Q2 2005 Financial Results

July 27, 2005

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on July 27, 2005 relating to LP's financial condition and results of operations as of and for the quarter ended June 30, 2005. 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 27, 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

| | Quarter Ended | | |
|--|---------------|-------------------|------------------|
| | June 30, 2005 | March 30, 2005 | June 30, 2004 |
| Net sales | \$ 692 | \$ 661 | \$ 790 |
| Income from continuing operations | \$ 104 | \$ 105 | \$ 188 |
| Income (loss) from discontinued operations | \$ (4) | \$ (3) | \$ 4 |
| Net income | \$ 100 | \$ 102 | \$ 192 |
| Diluted EPS from continuing operations | \$ 0.94 | \$ 0.95 | \$ 1.71 |
| Diluted EPS | \$ 0.90 | \$ 0.91 | \$ 1.75 |

Reconciliation of Special Items

| | Quarter Ended | | |
|---|------------------|-------------------|------------------|
| | June 30, 2005 | March 31, 2005 | June 30, 2004 |
| Income (loss) from continuing operations | \$ 104 | \$ 105 | \$ 188 |
| Less “special items”: | | | |
| (Gain) loss on sale or impairment of long-lived assets | (1) | - | - |
| Other operating credits and charges | 2 | - | 2 |
| Loss on early extinguishment of debt | | - | 1 |
| | 1 | - | 2 |
| Provision (benefit) for income taxes | - | - | - |
| After tax effect of “special items” | 1 | - | 2 |
| Adjusted income from operations excluding “special items” | <u>\$ 105</u> | <u>\$ 105</u> | <u>\$ 190</u> |
| Adjusted income from operations excluding “special items” per diluted share | <u>\$ 0.94</u> | <u>\$ 0.95</u> | <u>\$ 1.73</u> |

Financial Results – YTD

Dollars in millions, except per share amounts

| | Six Months Ended | |
|--|----------------------|----------------------|
| | <u>June 30, 2005</u> | <u>June 30, 2004</u> |
| Net sales | \$ 1,353 | \$ 1,464 |
| Income from continuing operations | \$ 210 | \$ 298 |
| Income (loss) from discontinued operations | \$ (8) | \$ 1 |
| Net income | \$ 202 | \$ 299 |
| | | |
| Diluted EPS from continuing operations | \$ 1.89 | \$ 2.72 |
| Diluted EPS | \$ 1.82 | \$ 2.73 |

YTD Reconciliation of Special Items

| | Six Months Ended | |
|---|----------------------|----------------------|
| | <u>June 30, 2005</u> | <u>June 30, 2004</u> |
| Income (loss) from continuing operations | \$ 210 | \$ 298 |
| Less "special items": | | |
| (Gain) loss on sale or impairment of long-lived assets | (1) | 13 |
| Other operating credits and charges | 1 | 9 |
| Loss on early extinguishment of debt | - | 41 |
| | <u>-</u> | <u>63</u> |
| Provision (benefit) for income taxes | - | 25 |
| After tax effect of "special items" | <u>-</u> | <u>39</u> |
| Adjusted income from operations excluding "special items" | <u>\$ 210</u> | <u>\$ 336</u> |
| Adjusted income from operations excluding "special items" per diluted share | <u>\$ 1.89</u> | <u>\$ 3.08</u> |

OSB

| | <u>CHANGE</u> | | | | |
|---------------------|---------------|---------------|---------------|--------------|--------------|
| | <u>Q2 '05</u> | <u>Q1 '05</u> | <u>Q2 '04</u> | <u>Q1 05</u> | <u>Q2 04</u> |
| Sales | \$ 404 | \$ 416 | \$ 535 | (3%) | (24%) |
| Profit ^a | \$ 147 | \$ 171 | \$ 309 | (14%) | (52%) |
| DDA | \$ 22 | \$ 22 | \$ 20 | | |
| Volume | | | | 9% | 3% |
| Price | | | | (11%) | (27%) |

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

Siding

| | <u>Q2 '05</u> | <u>Q1 '05</u> | <u>Q2 '04</u> | CHANGE FROM | |
|---------------------|---------------|---------------|---------------|--------------|--------------|
| | | | | <u>Q1 05</u> | <u>Q2 04</u> |
| Sales | \$ 125 | \$ 95 | \$ 114 | 32% | 10% |
| Profit ^a | \$ 16 | \$ 7 | \$ 16 | 129% | 0% |
| DDA | \$ 4 | \$ 4 | | | |
| Volume | | | | | |
| Smart Side | | | | 43% | 6% |
| Hardboard | | | | 8% | (22%) |
| Price | | | | | |
| Smart Side | | | | 1% | 7% |
| Hardboard | | | | 5% | 24% |

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

Engineered Wood Products

| | <u>CHANGE</u> | | | | |
|---------------------|---------------|---------------|---------------|--------------|--------------|
| | <u>Q2 '05</u> | <u>Q1 '05</u> | <u>Q2 '04</u> | <u>Q1 05</u> | <u>Q2 04</u> |
| Sales | \$ 120 | \$ 109 | \$ 104 | 10% | 15% |
| Profit ^a | \$ 12 | \$ 6 | \$ 1 | 100% | 1100% |
| DDA | \$ 3 | \$ 4 | \$ 4 | | |
| Volume | | | | | |
| I-Joist | | | | 15% | 3% |
| LVL | | | | 5% | 4% |
| Price | | | | | |
| I-Joist | | | | 7% | 15% |
| LVL | | | | 7% | 25% |

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

Other

| | | | | <u>CHANGE</u> | |
|---------------------|---------------|---------------|---------------|---------------|--------------|
| | <u>Q2 '05</u> | <u>Q1 '05</u> | <u>Q2 '04</u> | <u>Q1 05</u> | <u>Q2 04</u> |
| Sales | \$ 45 | \$ 43 | \$ 38 | 5% | 18% |
| Profit ^a | \$ 5 | \$ 6 | \$ 3 | (17%) | 67% |
| DDA | \$ 2 | \$ 2 | \$ 2 | | |
| Volume | | | | | |
| Decking | | | | 8% | 14% |
| Moulding | | | | (3%) | 13% |
| Price | | | | | |
| Decking | | | | (4%) | 6% |
| Moulding | | | | 2% | 10% |

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

Balance Sheet & Other Statistics

(in millions, except per share amounts)

| | <u>June 30, 2005</u> | <u>December 31, 2004</u> |
|---|----------------------|--------------------------|
| Total cash and investments | \$ 1,394 | \$ 1,249 |
| Working capital | \$ 1,313 | \$ 1,164 |
| Net debt | \$ (991) | \$ (844) |
| Capital expenditures YTD (includes JVs) | \$ 120 | \$ 173 |
| YTD Depreciation, amortization and cost of timber harvested (continuing operations) | \$ 65 | \$ 144 |
| Book value per share | \$ 17.65 | \$ 16.05 |

See appendix for reconciliations

Appendix

| | <u>6/30/2005</u> | <u>12/31/2004</u> |
|--|------------------|-------------------|
| Calculation of "Working Capital" | | |
| Current assets | \$ 1,806 | \$ 1,604 |
| Current liabilities | (493) | (440) |
| Working capital | <u>\$ 1,313</u> | <u>\$ 1,164</u> |
| Calculation of "Net Debt" | | |
| Long-term debt | \$ 537 | \$ 623 |
| Current portion of long term debt | 193 | 178 |
| Current portion of limited recourse debt | 70 | - |
| Notes receivable from assets sales (current and long term) | (397) | (397) |
| Total cash and investments | <u>(1,394)</u> | <u>(1,249)</u> |
| Net debt | <u>\$ (991)</u> | <u>\$ (845)</u> |
| Calculation of "Total cash and investments" | | |
| Cash and cash equivalents | \$ 657 | \$ 545 |
| Short term investments | 635 | 608 |
| Restricted cash | 67 | 66 |
| Long-term investments | 35 | 30 |
| Total cash and investments | <u>\$ 1,394</u> | <u>\$ 1,249</u> |