

Louisiana-Pacific Corporation

Q4 2006 Financial Results

February 6, 2007

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on February 6, 2007 relating to LP's financial condition and results of operations as of and for the quarter ended December 31, 2006. 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 6, 2007.



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 under the Investor Relations Presentations section.



Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	December 31, 2006	September 30, 2006	December 31, 2005
Net sales	\$ 370	\$ 535	\$ 624
Income (loss) from continuing operations	\$ (25)	\$ 10	\$ 91
Income (loss) from discontinued operations	\$ -	\$ -	\$ (5)
Cumulative effect of change in accounting	\$ -	\$ -	\$ (1)
Net income (loss)	\$ (25)	\$ 10	\$ 85
Diluted EPS from continuing operations	\$ (0.24)	\$ 0.09	\$ 0.86
Diluted EPS	\$ (0.24)	\$ 0.09	\$ 0.80



Reconciliation of Special Items

	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q4 '05</u>
Income (loss) from continuing operations	\$ (25)	\$ 10	\$ 91
Less “special items”:			
(Gain) loss on sale or impairment of long-lived assets	2	1	2
Other operating credits and charges	3	-	5
Loss on early extinguishment of debt	-	-	1
	<u>5</u>	<u>1</u>	<u>8</u>
Provision (benefit) for income taxes	2	-	3
After tax effect of “special items”	<u>3</u>	<u>1</u>	<u>5</u>
Reversal of tax liabilities due to repatriation	-	-	(3)
Adjusted income (loss) from operations excluding “special items”	<u>\$ (21)</u>	<u>\$ 11</u>	<u>\$ 93</u>
Adjusted income (loss) from operations excluding “special items” per diluted share	\$ (0.20)	\$ 0.09	\$ 0.87



Financial Results – Annual

Dollar amounts in millions, except per share amounts

	Year Ended December 31,	
	2006	2005
Net sales	\$ 2,235	\$ 2,599
Income from continuing operations	\$ 126	\$ 476
Income (loss) from discontinued operations	\$ (2)	\$ (19)
Cumulative effect of change in accounting	\$ -	\$ (1)
Net income	\$ 124	\$ 456
Diluted EPS from continuing operations	\$ 1.19	\$ 4.34
Diluted EPS	\$ 1.17	\$ 4.15



Reconciliation of Special Items

	<u>Year Ended December 31,</u>	
	<u>2006</u>	<u>2005</u>
Income (loss) from continuing operations	\$ 126	\$ 476
Less “special items”:		
(Gain) loss on sale or impairment of long-lived assets	2	3
Other operating credits and charges	1	6
Loss on early extinguishment of debt	-	1
	<hr/> 3	<hr/> 10
Provision (benefit) for income taxes	1	4
After tax effect of “special items”	<hr/> 2	<hr/> 6
Reversal of tax liabilities due to repatriation	-	(94)
Adjusted income from operations excluding “special items”	<hr/> <hr/> \$ 128	<hr/> <hr/> \$ 388
Adjusted income from operations excluding “special items” per diluted share	\$ 1.21	\$ 3.54



Tax Reconciliation

Dollar amounts in millions

	Quarter Ended December 31,			
	2006		2005	
	<u>Provision (Benefit)</u>	<u>Rate</u>	<u>Provision (Benefit)</u>	<u>Rate</u>
Continuing operations	\$ (33.3)	(58%)	\$ 16.2	16%
Effect of Repatriation	-		(3.3)	
	(33.3)		12.9	
Discontinued operations	(0.1)	38%	(2.5)	33%
Effect of Accounting Change	-		(0.7)	39%
	<u>\$ (33.4)</u>	<u>(58%)</u>	<u>\$ 9.7</u>	<u>10%</u>

	Year Ended December 31,			
	2006		2005	
	<u>Provision (Benefit)</u>	<u>Rate</u>	<u>Provision (Benefit)</u>	<u>Rate</u>
Continuing operations	\$ 24.2	16%	\$ 155.6	29%
Effect of Repatriation	-		(94.3)	
	24.2		61.3	
Discontinued operations	(1.1)	38%	(11.5)	33%
Effect of Accounting Change	-		(0.7)	39%
	<u>\$ 23.1</u>	<u>16%</u>	<u>\$ 49.1</u>	<u>10%</u>



OSB

Dollar amounts in millions

	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q4 '05</u>	CHANGE FROM	
				<u>Q3 06</u>	<u>Q4 05</u>
Sales	\$ 184	\$ 276	\$ 387	(33%)	(52%)
Profit (loss) ^a	\$ (55)	\$ (9)	\$ 112	(506%)	(149%)
DDA	\$ 16	\$ 20	\$ 22		
<u>Volume</u>				(16%)	(8%)
<u>Price</u>				(13%)	(49%)

^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

Dollar amounts in millions

	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q4 '05</u>	CHANGE FROM	
				<u>Q3 06</u>	<u>Q4 05</u>
Sales	\$ 87	\$ 137	\$ 104	(37%)	(16%)
Profit ^a	\$ 7	\$ 19	\$ 5	(65%)	32%
DDA	\$ 4	\$ 5	\$ 4		
<u>Volume</u>					
Smart Side				(46%)	(24%)
Hardboard				(24%)	(21%)
<u>Price^b</u>					
Smart Side				(0%)	2%
Hardboard				(2%)	8%

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

^b Adjusted to exclude warranty adjustments



Engineered Wood Products

Dollar amounts in millions

	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q4 '05</u>	CHANGE FROM	
				<u>Q3 06</u>	<u>Q4 05</u>
Sales	\$ 77	\$ 93	\$ 101	(17%)	(24%)
Profit ^a	\$ 5	\$ 8	\$ 9	(43%)	(49%)
DDA	\$ 3	\$ 4	\$ 4		
<u>Volume</u>					
I-Joist				(22%)	(26%)
LVL				(21%)	(29%)
<u>Price</u>					
I-Joist				(1%)	(5%)
LVL				(4%)	(5%)

^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

Dollar amounts in millions

	<u>Q4 '06</u>	<u>Q3 '06</u>	<u>Q4 '05</u>	CHANGE FROM	
				<u>Q3 06</u>	<u>Q4 05</u>
Sales	\$ 23	\$ 29	\$ 35	(21%)	(35%)
Profit (loss) ^a	\$ (9)	\$ (5)	\$ 1	(72%)	(960%)
DDA	\$ 3	\$ 3	\$ 3		
<u>Volume</u>					
Decking				(60%)	(77%)
Moulding				(8%)	(18%)
<u>Price</u> ^b					
Decking				(7%)	9%
Moulding				(11%)	(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

^b Adjusted to exclude warranty adjustments



Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	December 31, <u>2006</u>	December 31, <u>2005</u>
Total cash and investments	\$ 1,155	\$ 1,395
Working capital	\$ 1,239	\$ 1,451
Net cash and investments	\$ 837	\$ 968
Capital expenditures YTD (includes investments in JVs)	\$ 245	\$ 258
Book value per share	\$ 19.84	\$ 19.31

See appendix for reconciliations



Appendix



Appendix

Dollar amounts in millions

	December 31, 2006	December 31, 2005
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 1,504	\$ 1,792
Current liabilities	(265)	(346)
Working capital	<u>\$ 1,239</u>	<u>\$ 1,446</u>
 <u>Calculation of "Net Cash and Investments"</u>		
Long-term debt	\$ (645)	\$ (735)
Current portion of long term debt	-	(19)
Current portion of limited recourse debt	-	(70)
Notes receivable from assets sales	327	397
Total cash and investments	<u>1,155</u>	<u>1,395</u>
Net cash and investments	<u>\$ 837</u>	<u>\$ 968</u>
 <u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 266	\$ 608
Short term investments	797	717
Restricted cash	52	56
Long-term investments	40	14
Total cash and investments	<u>\$ 1,155</u>	<u>\$ 1,395</u>