



Louisiana-Pacific Corporation

Investor Presentation
Fall 2016



Forward-Looking Statements

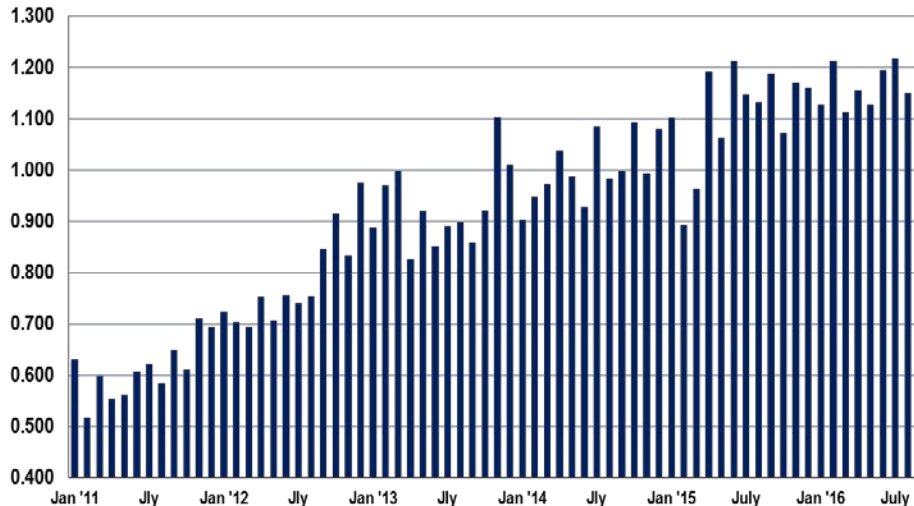
This presentation contains statements concerning Louisiana-Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties 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, costs for raw materials 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.

Market Outlook – New Housing Demand

- Short-term ... what is happening?
 - Growing housing starts ... single family improving
 - Existing and new home sales up
 - Builder confidence strong
 - Increasing household formations

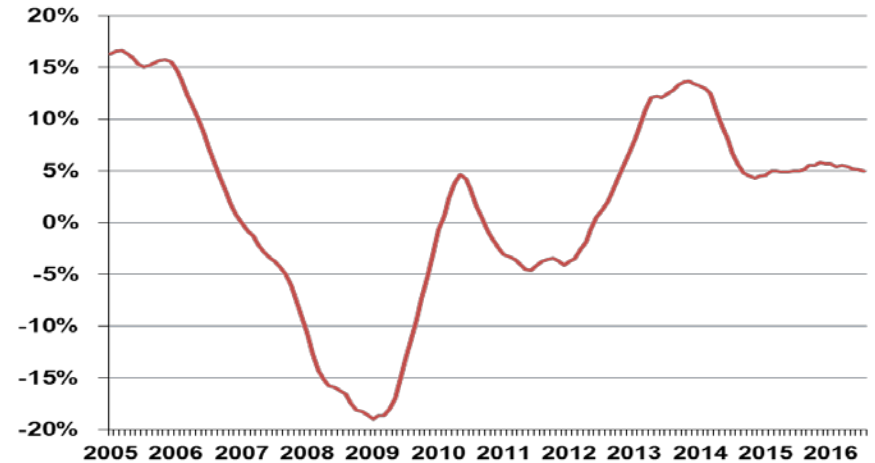
U.S. Housing Starts

Seasonally adjusted annual rate. - Millions



Source: APA October 19th, 2016 Report

S&P Case Schiller Home Price Index



New Home Sales

Thousands

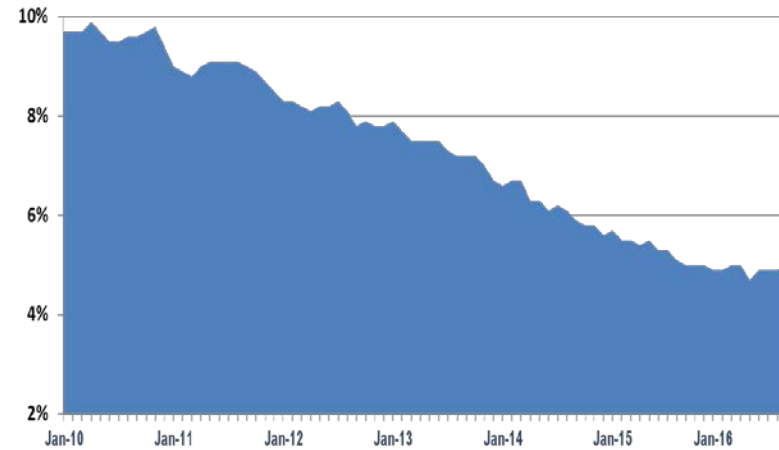


Market Outlook – New Housing Demand

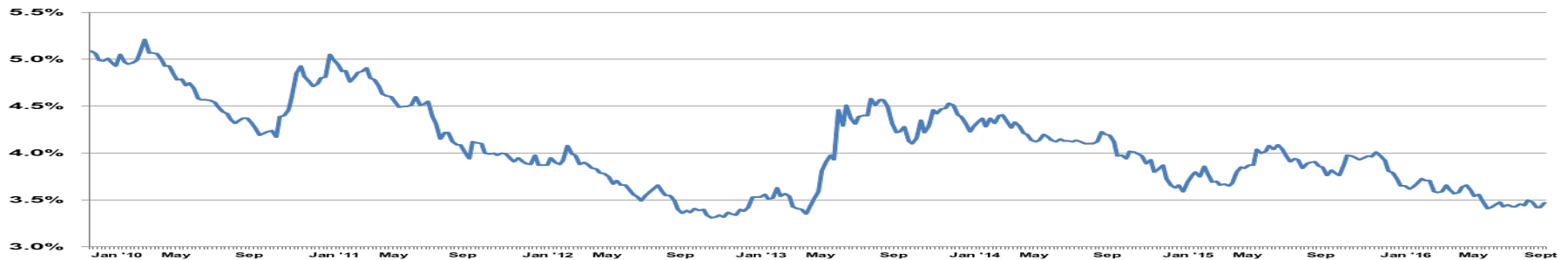
What needs to happen for more growth?

- Availability of construction labor
- Available lots
- Reasonable credit environment, affordable rates and appropriate standards
- Continued employment and job growth

U.S. Unemployment Rate



30-Year Weekly Average Mortgage Rate



Market Outlook – New Housing Demand

- Mid-term ... economic recovery fuels turnaround
 - Housing forecasts for 2016 and 2017 show increases (August average: 2016 – 1.174 million; 2017 – 1.272 million)*
 - Job growth which leads to household formation and first time home buyers is key
 - Cost of ownership lower than rental in many markets
- Long-term ... a return to normalized housing starts
 - Positive long-term trends and demographics including: household formations, immigration, and low interest rates
 - New housing starts should return to the 1.6 million level based on demographics, need to replace older units and vacation homes along with other uses**
 - Pending housing shortage?

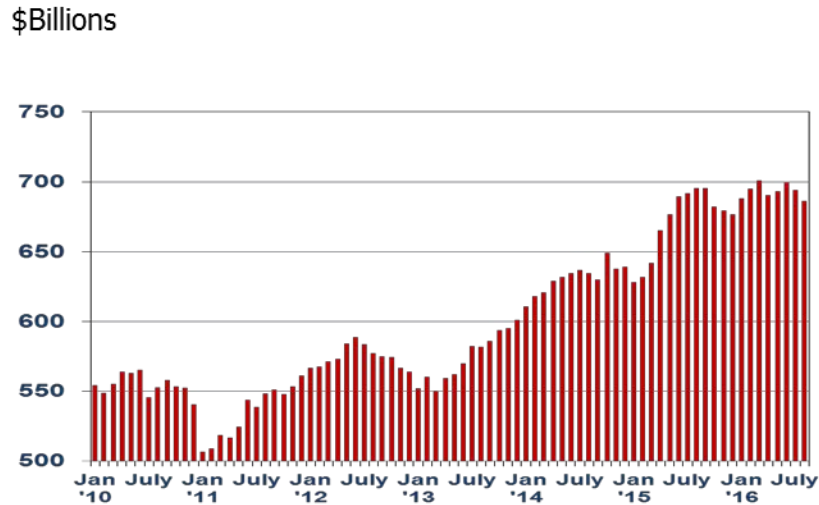
* Sources: APA October 19th, 2016 Report

** Source: The State of the Nation's Housing – 2016, *Joint Center for Housing Studies of Harvard University*

Market Outlook – Other Demand

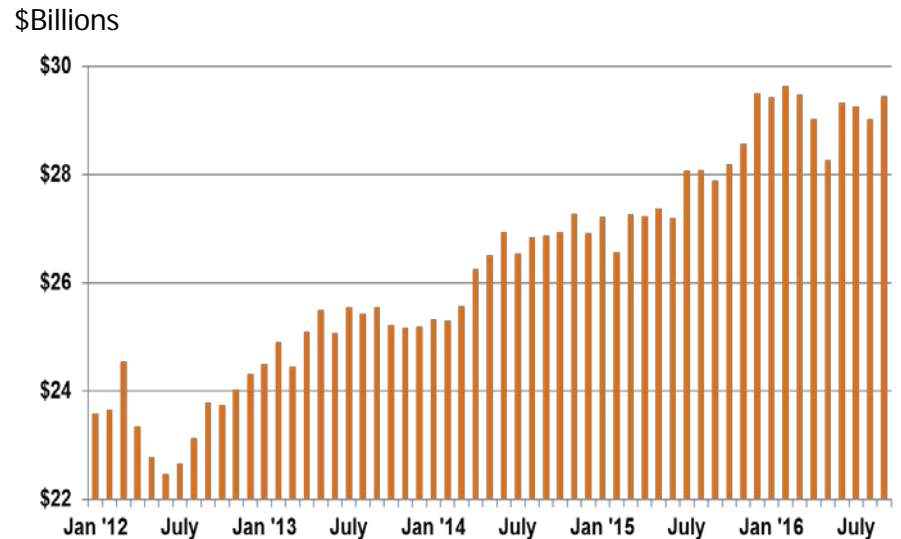
- Repair / remodel demand recovering
- Commercial and light industrial construction much higher

U.S. Nonresidential Construction Value



Source: APA October 19th, 2016 Report

Retail Sales – Building Materials and Supplies



A Leader in Our Markets



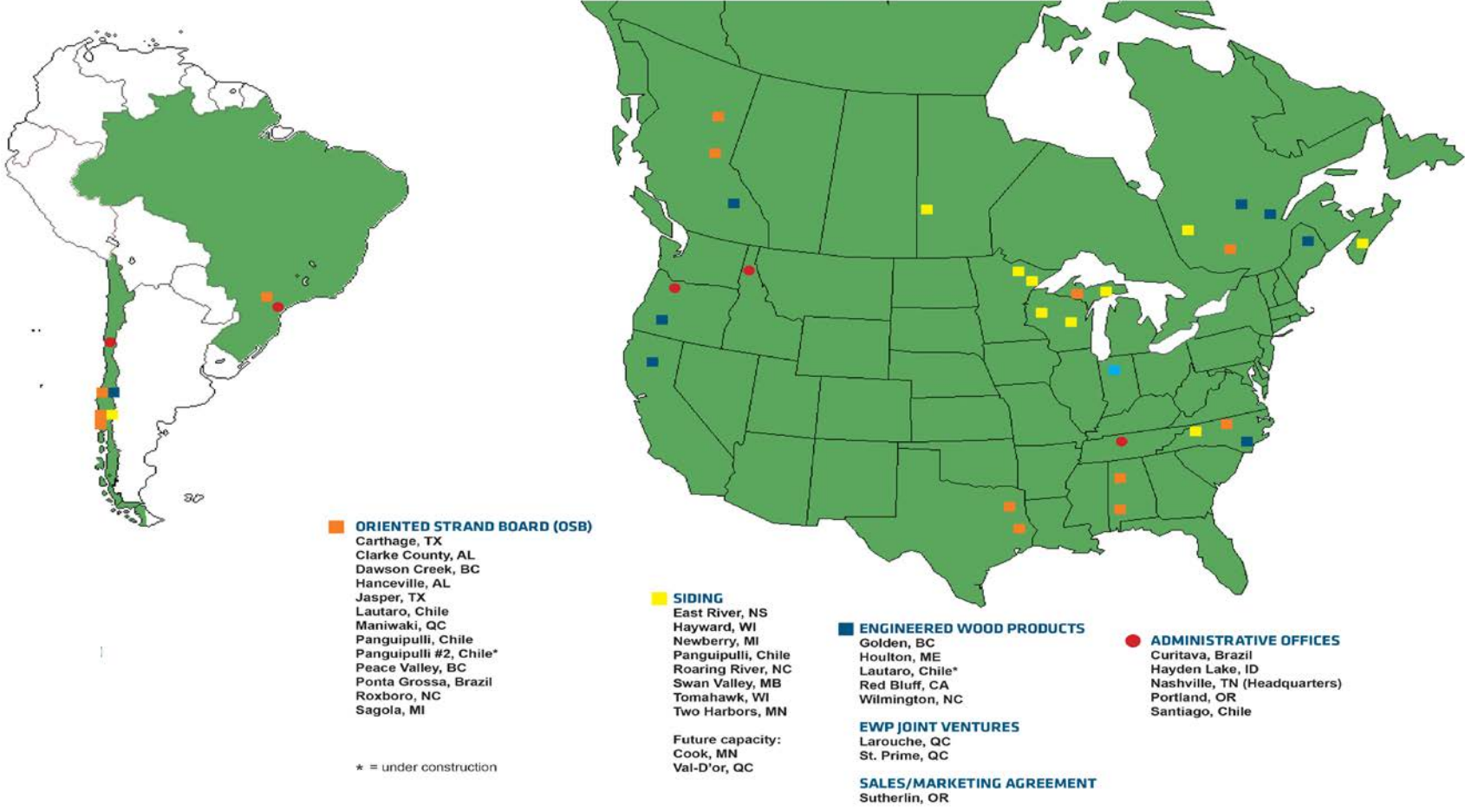
Segment	OSB	Siding	Engineered Wood Products	South America
LTM Revenue ¹	43%	34%	15%	7%

Summary	OSB	Siding	Engineered Wood Products	South America
	<ul style="list-style-type: none"> Leading producer of OSB in North America Positioned to compete in all geographic markets Competitive delivered cost 4.9 bsf of OSB capacity in North America Leading producer of value-added OSB 	<ul style="list-style-type: none"> # 1 producer of treated engineered wood siding 7 Siding plants with 1.8 bsf of capacity Diversified end markets with stable pricing Strong national presence Competitive installed cost Capacity expansion options 	<ul style="list-style-type: none"> # 3 producer in North America # 1 producer of solid sawn I-Joist A leading supplier to dealers and two-step distribution 2 LVL and 1 LSL plant with 16.4 mm cubic feet capacity 220 mmlf of I-Joist capacity 	<ul style="list-style-type: none"> Only producer of OSB and OSB Siding in South America 2 OSB plants in Chile with 290 mmsf of capacity 3rd Chilean mill under construction 1 OSB plant in Brazil with 390 mmsf of capacity Growing demand for wood-based residential construction

¹ Excludes \$20.3 million (approximately 1% of revenue) of Other Products and Intersegment Sales.

Strategically Located Facilities

Strategic location of plants drives efficient order-fulfillment, shipping and distribution of finished products





OSB: Strong Fundamentals

Key Drivers of OSB Demand

- New residential construction
- Repair / remodeling
- Industrial / light commercial
- Opportunistic export

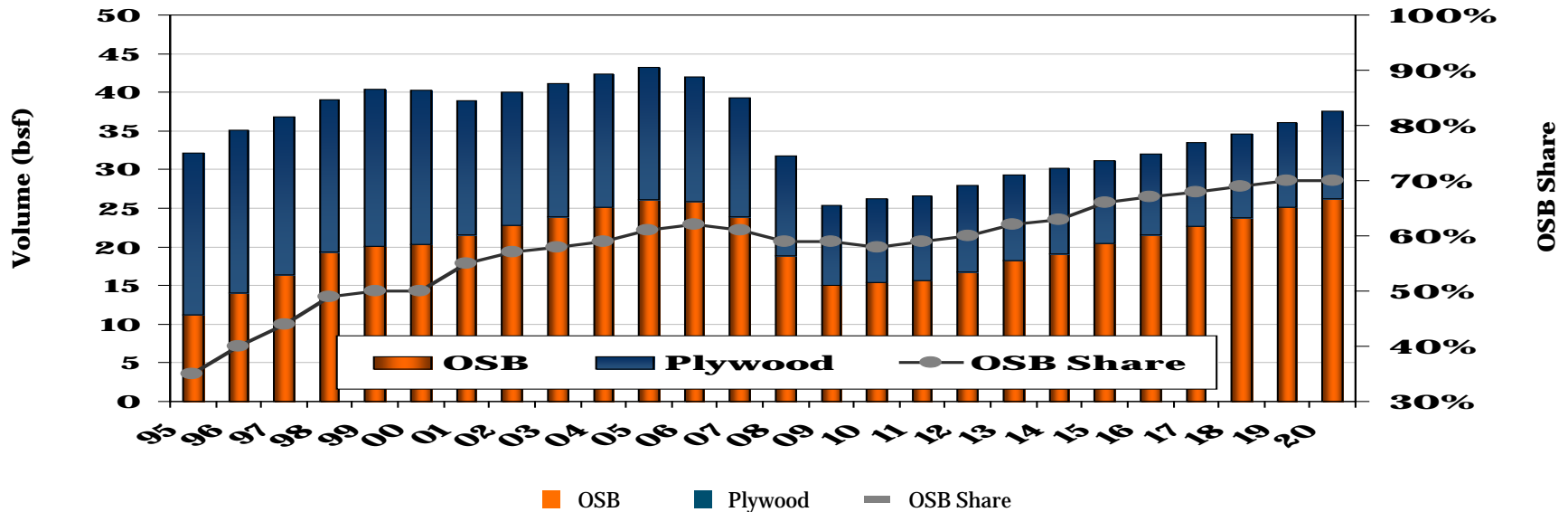
LP Key Strategies

- Grow value-added OSB
- Deliver superior quality and service
- Provide competitive delivered cost
- Be agile: Meet our customers needs

OSB Market Penetration

U.S. Housing Starts S/MF/MH (millions):

1.0 1.2 1.3 1.4 1.5 1.6 1.7



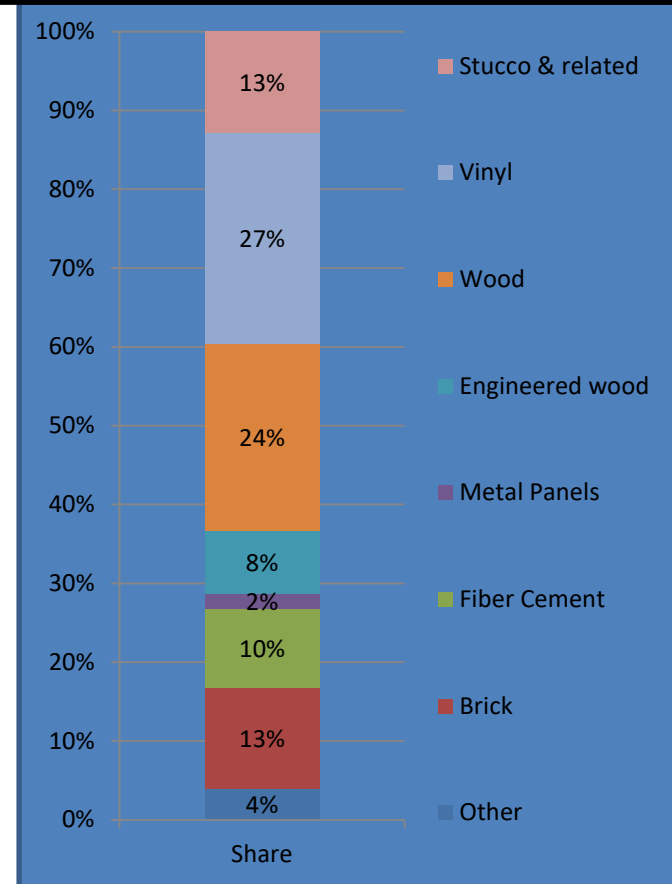
Source: FEA Q3 2016 Structural Panel Forecast



SmartSide Growth Tied to Strong Presence in Several Markets

Growth Market Opportunity: Capturing Share from Wood, Fiber cement, and Vinyl

- LP currently has 85%+ share of the \$800 million engineered wood siding sub sector
- Revenue and operating income for Siding segment less sensitive to changes in housing starts due to diversity of end markets
- Opportunity to grow total available market to ~\$3 billion as engineered wood siding continues to displace vinyl, wood and stucco



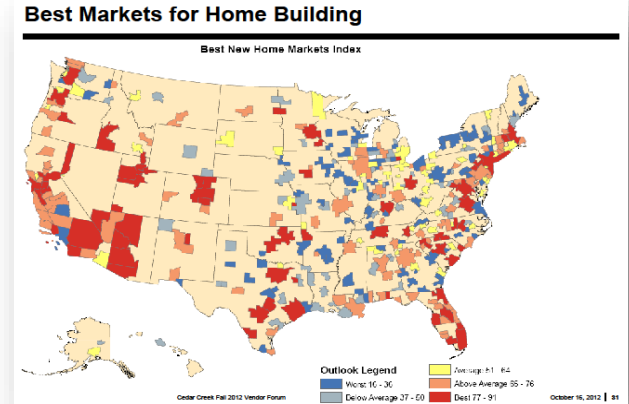
**Total 2013 Siding & Trim Market: \$9.1bn
(Normalized: \$11bn)**

Note: Market size includes non-residential applications and trim
Source: Principia Residential Siding and Trim Industry Study 2014 #pp2-115 and LP Internal

Builder View of LP Siding in Single Family New Construction

Builder Major Concerns

- Labor, financing and regional economics
- Selling homes
- Lower cost of production



LP Program Offering

- **Higher performance cladding**
 - Superior durability/impact resistance
 - Easier installation and finishing
 - Reduced call backs
 - Better aesthetic performance to improve builder image
 - 5/50 warranty helps sell through
- **Marketing Cooperatives**
 - Builds builder brand and supports sales growth within market
 - LP brand supports builder's brand, increasing retention/loyalty

Remodeler View of LP Siding

Remodeler Major Concerns

- Training, marketing & lead generation programs
- Product performance and aesthetic appeal
- Pleasing the homeowner



LP Program Offering

- **LP BuildSmart Loyalty Program**
 - Provides proper installation training and support
 - Leads and consumer selling tools to help grow their business
 - Rewards and marketing services to drive retention
- **Online consumer brand awareness campaigns**
 - Color expertise to help consumers make informed design choices
 - Targeted social media platform builds brand awareness with homeowners

Shed Fabricator View of LP Siding

Fabricator Major concerns

- Differentiation
- Products specifically designed for sheds
- Increased dealer lots
- Increased traffic to dealer lots
- Sales training at dealer lots



LP Program Offering

- Specialized panel products enhanced for open wall applications
 - SmartFinish & SilverTech panels
 - SilverTech roofing
 - ProStruct flooring
- POS merchandising to increase consumer traffic and education
- Dealer training on LP product value
- Online consumer awareness campaign
 - Direct consumers to dealers with LP Sheds
 - Educates consumers on LP product value over plywood competitors
- Breadth of LP warranties are unique to this industry
- Support to consumers who desire to build their own sheds

Developing Segment Strategy for Specified Markets

Architect/Specifier Major Concerns:

- Implied Liability through Specification
- Design Flexibility/Code Compliance of Specified Products
- Reputation of Company, Product, and Warranty

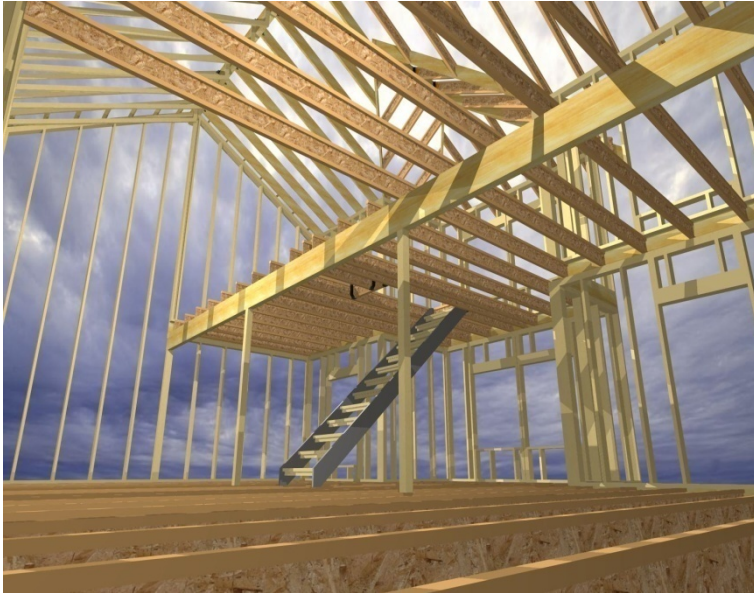


LP Program Offering

- Solution provider to the Architect community by offering products and services that fit their needs
- Provide accurate and reliable specification support
- Provide jobsite technical instruction and support
- Face-to-face engagement through education and training opportunities
- Industry thought leadership and outreach:
 - Offering subject matter expertise to the AEC community

Housing Recovery Provides Significant EWP Growth Potential

The “LP EWP House”

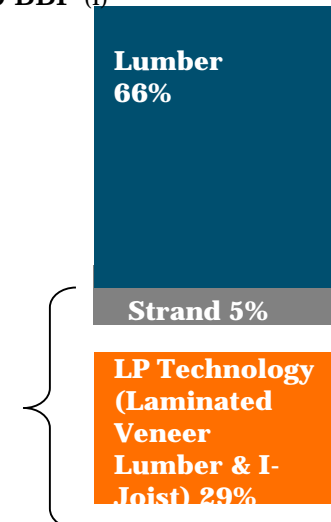


- EWP offers superior technology over traditional lumber
 - Design flexibility, consistency, higher quality
- Significant room for additional displacement exists
 - Potential for EWP to capture half of traditional lumber market
- Continue international and non-residential growth

Total North American EWP Potential Market

Structural Composite Lumber & I-Joist: ~5 BBF ⁽¹⁾

Current EWP Market:



Source: APA -The Engineered Wood Association, I-Joist Market Report (August 2012), APA - Beam & Header Use in U.S., APA – The Engineering Wood Association, Beam and Header Market Report (September 2012)

¹ Volume based on 1 million housing starts.

What's Next for Strand Lumber?



Lumber
Capacity
Stress

LVL
Capacity
Stress

Strand
Lumber
Growth



South America

- Only producer of OSB and OSB Siding in South America ... 680 mmsf of capacity
- Chile
 - 2 Chilean mills support local growth
 - SmartSide Siding manufacturing
 - Seeding other South American markets
 - Adding I-Joist and OSB capacity in Chile
- Brazil
 - Local market in early stages of adapting wood into residential construction
 - Export markets – other South American countries, Asia and other countries





Siding Growth



Val-d'Or, Quebec

- Benefits over Chambord:
 - More readily convertible to siding
 - Wood basket contains high percentage of aspen
 - Press better suited for lap siding
 - Mill has sat idle for fewer years

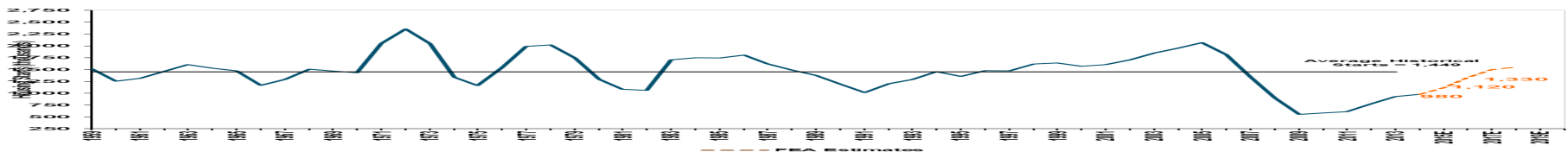


Cook, Minnesota

- Already has much of the infrastructure needed for a siding mill in place
- Wood basket contains high percentage of aspen
- Infrastructure support from state of Minnesota

LP Positioned for Upside As Market Continues to Recover

- **A Leading Participant in the Housing Upturn**
 - Significant commitment to meet the future demand in all segments
 - Strong sales and marketing coupled with enhanced operational productivity
- **Upside Opportunity**
 - Large, stable, growing specialty offering
 - Important supplier to industrial, non-residential and R & R markets
 - Geographic diversification
- **Strategy**
 - Maintain a strong balance sheet
 - Continue to focus on higher margin value-added products
 - Selective acquisitions that enhance product or geographic diversification
 - Cost-effectively add capacity as demanded by the market



Early Extinguishment of Limited Recourse Notes Payable

- On August 26, 2016, LP entered into agreements to provide for the acceleration of the \$410.0 million Notes Receivable from Asset Sales (Notes Receivable)
- Concurrent with entering into the acceleration agreements, LP gave a binding notice that LP will pay the \$368.7 million notes payable (Note Payable); the following impacts on LP's financial statements are expected:
 - LP will repay the \$368.7 million Notes Payable and accrued interest in November 2016
 - LP will receive \$410 million in Notes Receivable and accrued interest, which secured the Notes Payable in November 2016
 - The transaction will accelerate the receipt of \$41.3 million of cash
 - LP estimates income taxes due to the acceleration to be \$120.8 million
 - As of December 31, 2015, LP had \$73.4 million of available carryover benefits to offset a portion of its tax liability
 - This liability was non-recourse to LP and does not change the leverage profile of its business

\$350mm 2024 Bond Issuance

- On Sept. 7, 2016, the Company launched and priced an offering of \$350 million senior unsecured notes due 2024.
 - The new notes bear an interest rate of 4.875%. This is the lowest rate in the Company's history.
 - There were nearly \$1 billion of orders for the \$350 million offering.
- The Company used net proceeds from the offering plus cash on hand to repurchase through a tender offer or redemption all of the outstanding \$350 million 7.5% senior notes due 2020.
- The total cost of the transaction was approximately \$21 million ... \$15.5 million premium and interest, \$5.5 million expenses (\$16.6 million paid in Q3)
- The annual interest savings is approximately \$9 million and maturity is extended by four years.
- The Notes will be the general senior obligations of the Company, not secured by any assets and may be called, at the Company's option, beginning in year three (2019).
- The new Notes have an investment grade covenant structure. These covenants consist primarily of certain limitations on liens, subsidiary guarantees, asset sales and change of control. This is a significant improvement over the 7.5% senior notes due 2020.