

Louisiana - Pacific Corporation

UBS Global Paper & Forest Products Conference  
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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.

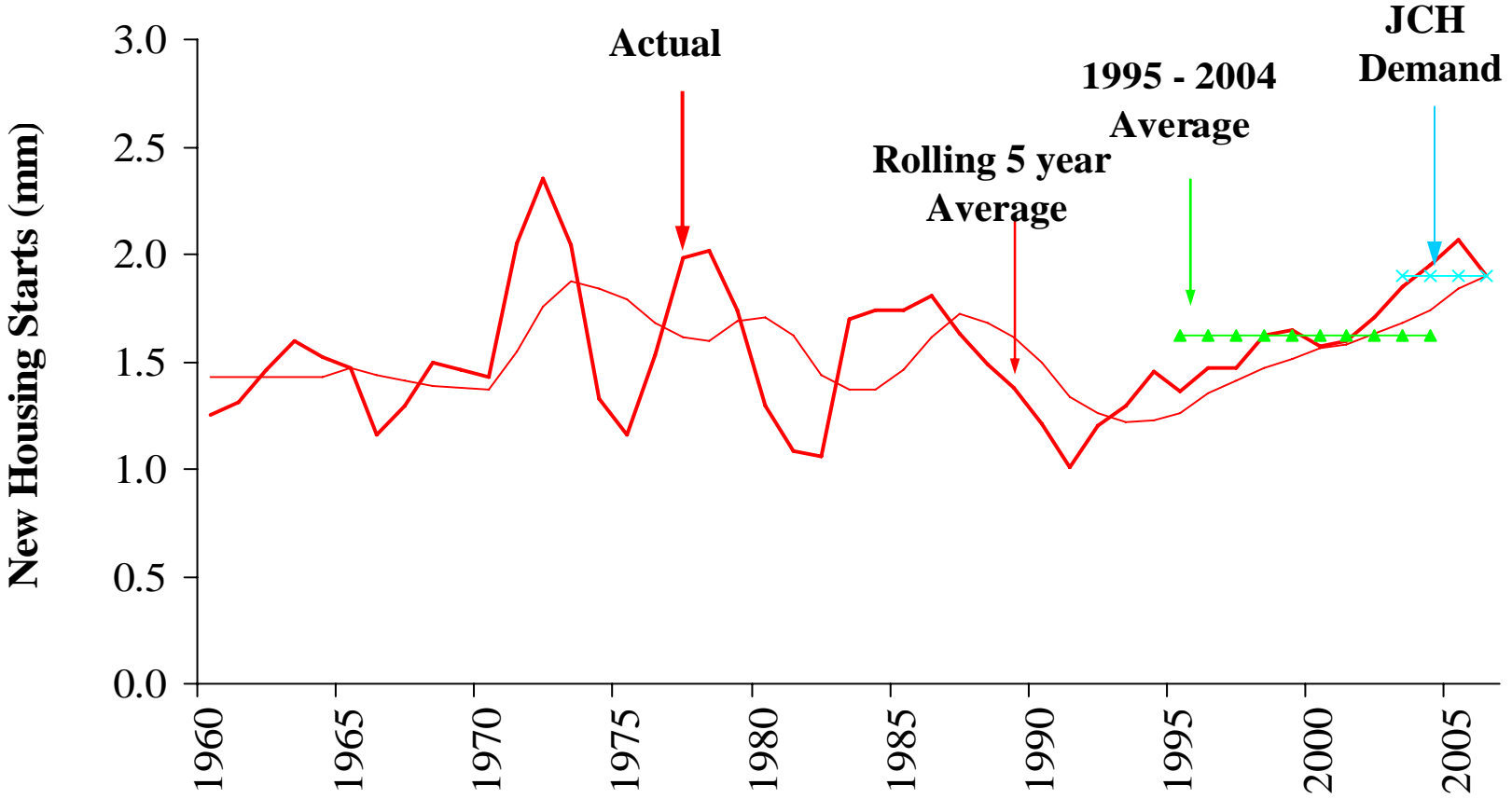
## Market Outlook – Demand

- **New construction housing demand:**
  - Positive long term trends and demographics including: household formations, immigration, affordable interest rates
  - Sustainable at 1.85 – 1.95 million starts per year (2005-2015)  
Source: The State of the Nation's Housing – 2004, Joint Center for Housing Studies of Harvard University
  - Housing activity has slowed: unsold home inventory increasing, new order rates down, regional pockets of price pressure, uncertain economy
- **Repair / remodel demand continues to grow:**
  - More houses in the existing stock
  - Homes are getting older
  - Rise of “big box retailers” and availability of “installed sales” is making access easier
- **Commercial and light industrial picked up in 2005 and is showing continued strength**



# Home Building Demand – History

*Housing Starts (single and multi-family)*

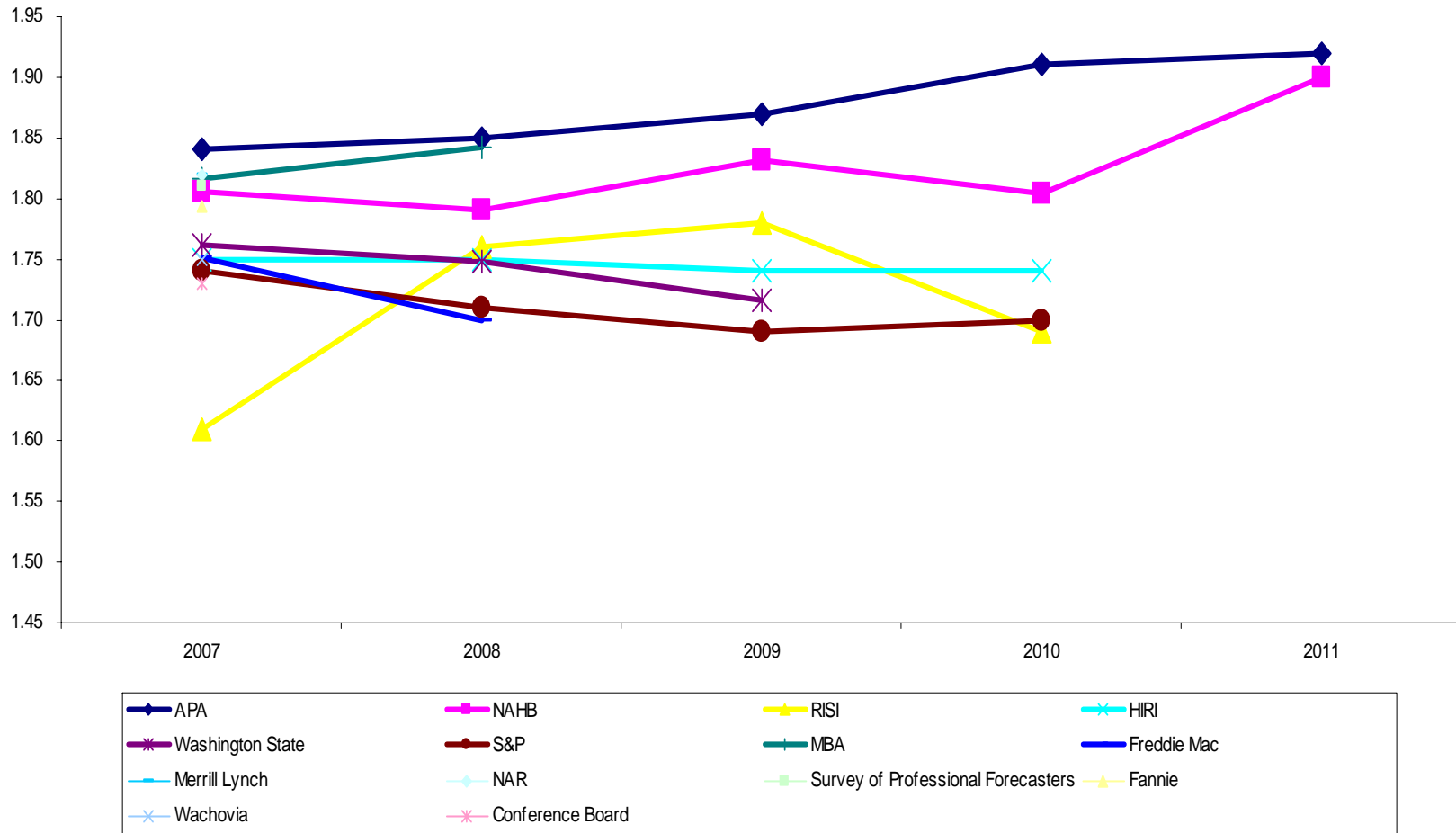


Sources: US Department of Commerce; RISI August 2006, 15 year forecast; and the State of the Nation's Housing – 2004, Joint Center for Housing Studies of Harvard University (JCH)



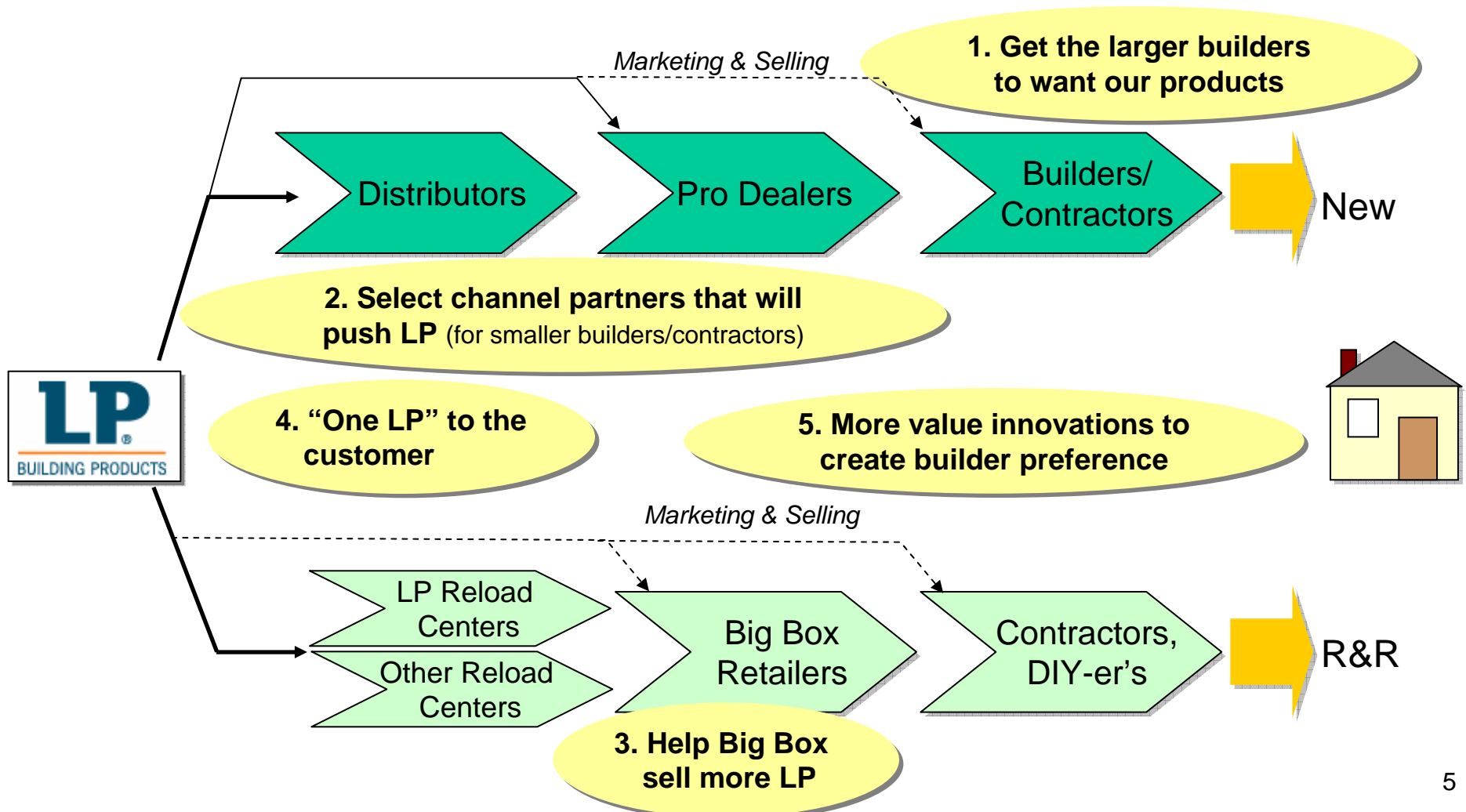
# Home Building Demand – Forecasts

*Housing Starts (single and multi-family in millions)*



# LP Channel Strategy: Preference for LP Products

## 5 Strategic Goals





# LP's Business Segments

## OSB

- Commodity Panels
- Tech Shield
- Flooring

## Siding

- SmartSide OSB Siding
- Exterior Hardboard Siding

## Engineered Wood Products

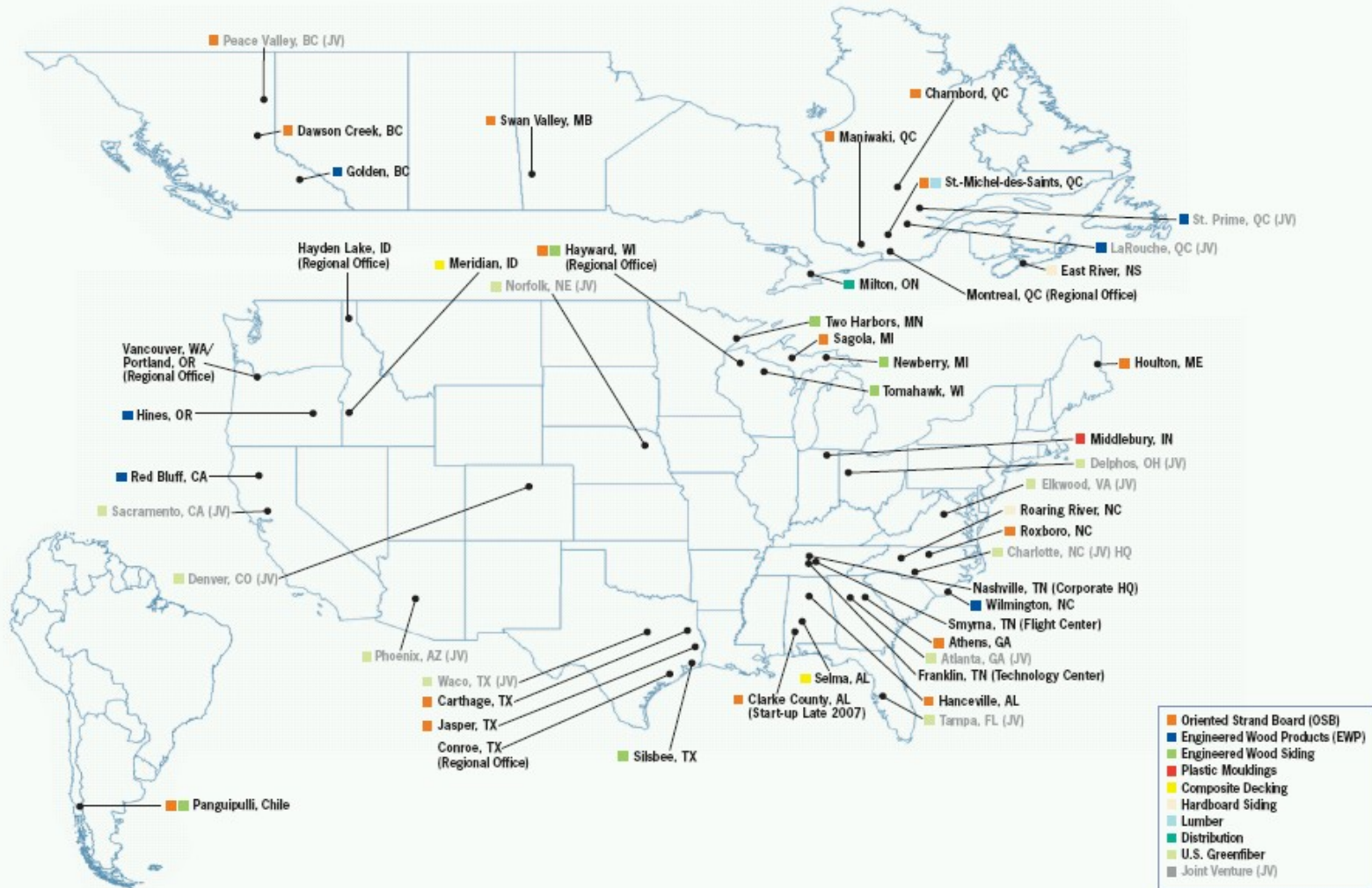
- Laminated Veneer Lumber
- I – Joist
- Emerging ... Oriented Strand Lumber (OSL)

## Other Building Products

- Composite Decking
- Moulding
- Chile OSB
- U.S. Greenfiber

# Map of LP Facilities

Louisiana-Pacific Corporation Facilities (U.S., Canada and Chile)





## Oriented Strand Board (OSB)



- #1 North American OSB producer with about 23% market share ... about 15% share of structural panels
- Best geographic coverage allows for a low delivered cost
- Growth through existing mill investments and new mills

Mill capacities:

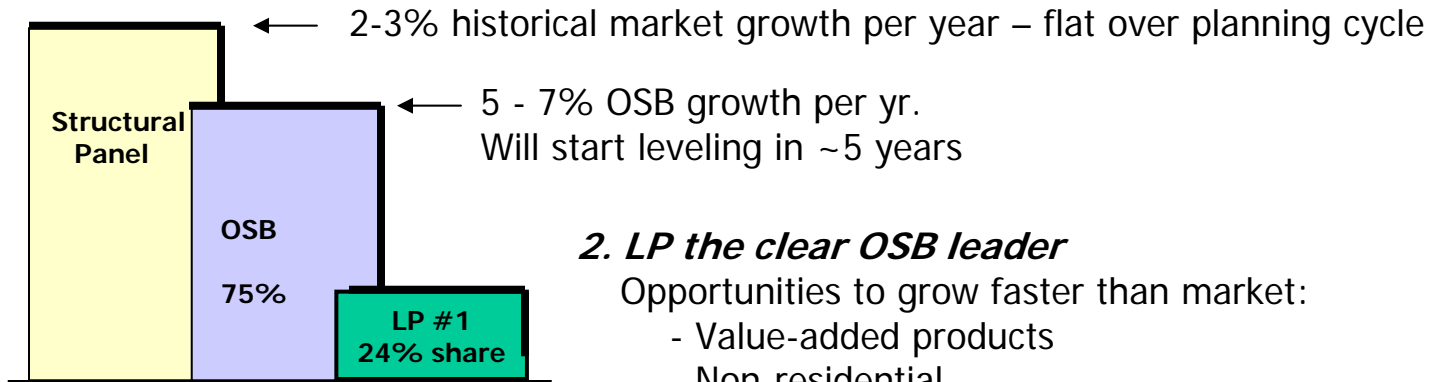
13 mills – 5.7 bsf

Peace Valley JV – 800 mmsf

Alabama under construction – 700 mmsf

# OSB Market Summary

## 1. OSB growth slowing, but still growing



## 2. LP the clear OSB leader

Opportunities to grow faster than market:

- Value-added products
- Non-residential
- Another greenfield mill late in the planning cycle

## 3. Cyclical market

- New mills coming on line
- D/C ratio will decline in near term
- Plywood closures critical to balance

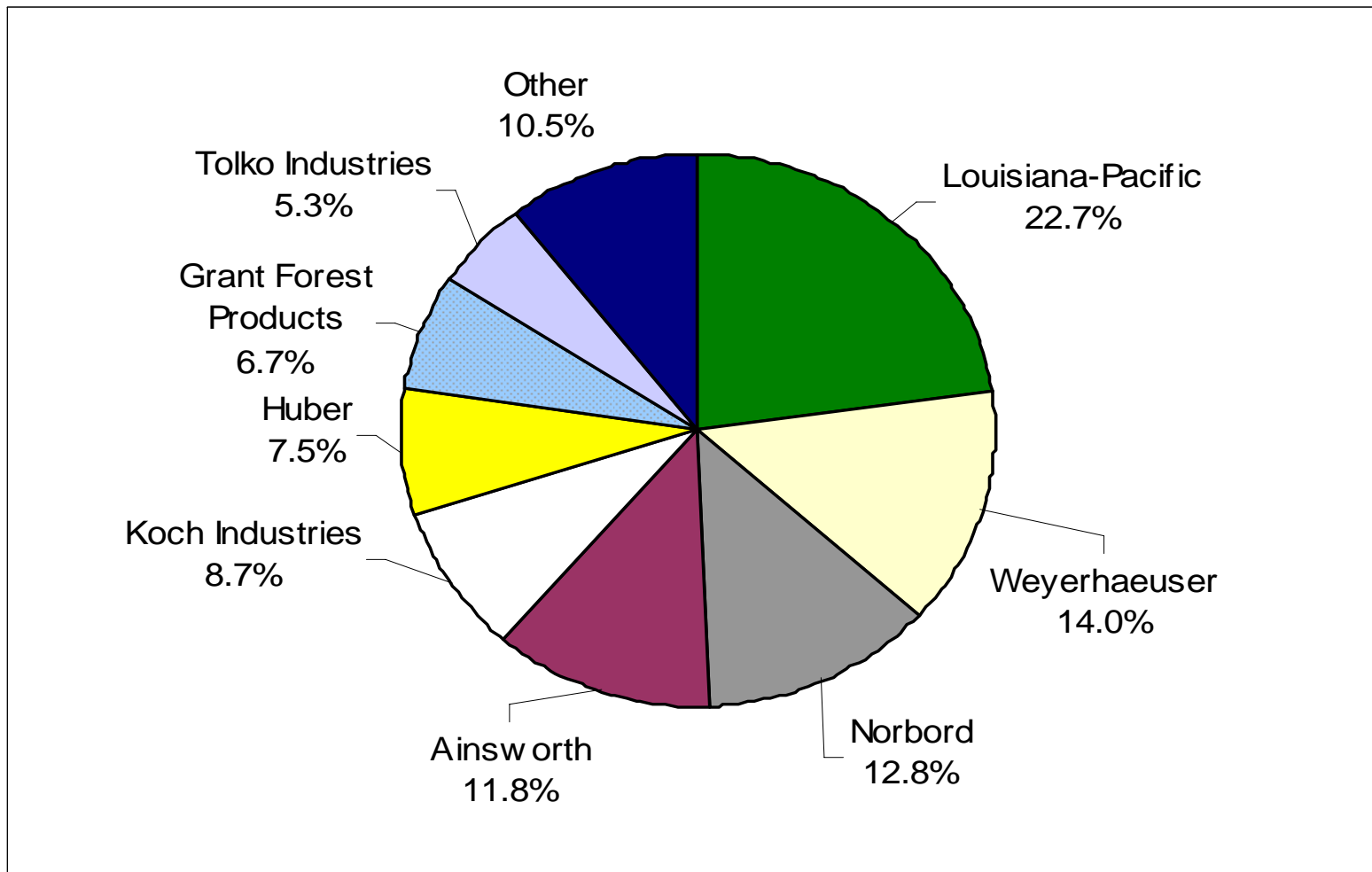
## 4. Low substitution threat

- No major new technology threats
- New building techniques could emerge following catastrophic events

## 5. Competitive dynamics

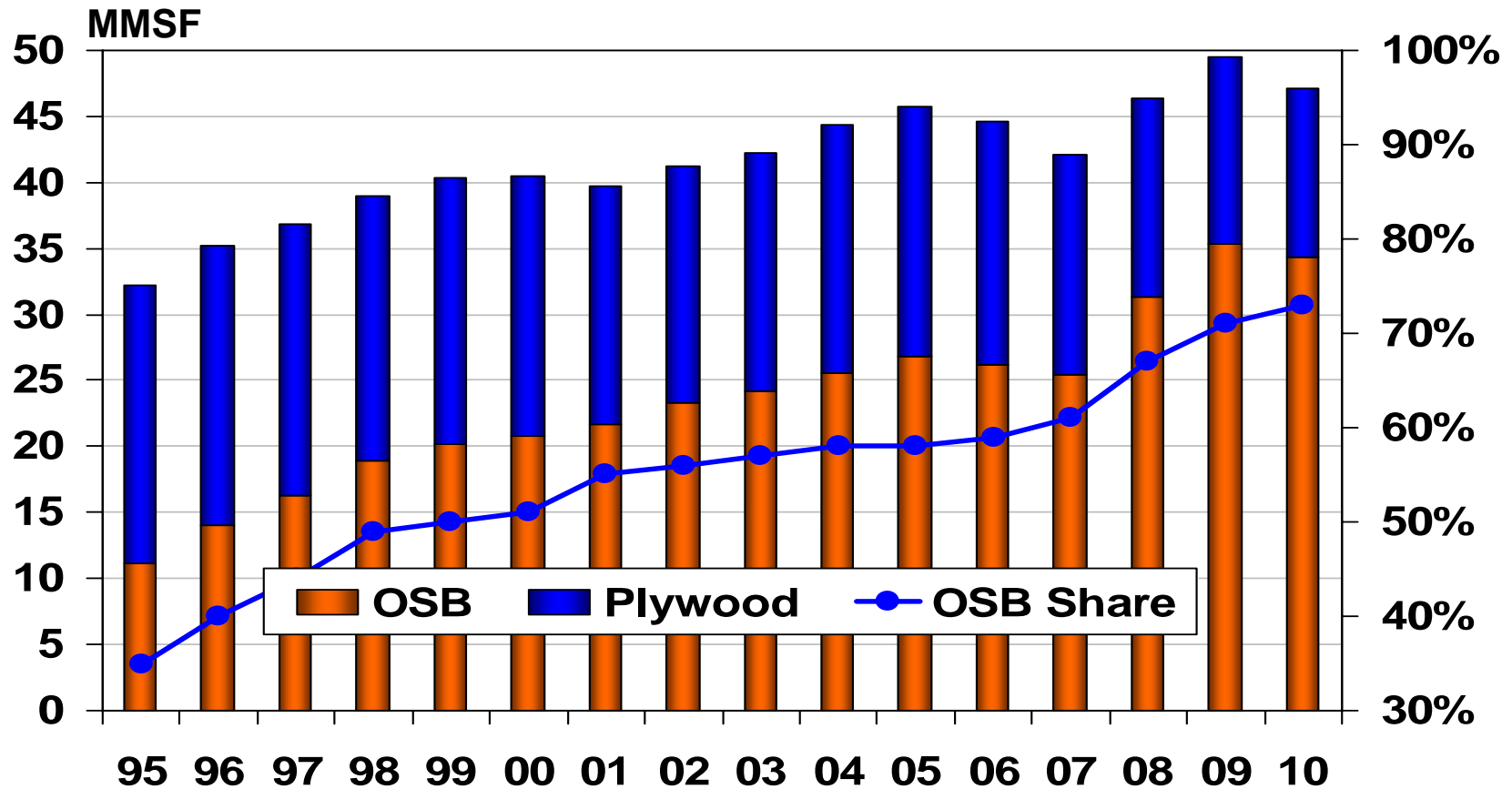
- Share determined by quality of service, cost and footprint
- Profitability determined by D/C ratio, relative delivered cost and product mix
- Rationalization will occur (plywood and high-cost OSB mill closures)

# North American OSB Market Share – 2005



Source: RISI 2005 Capacity Survey

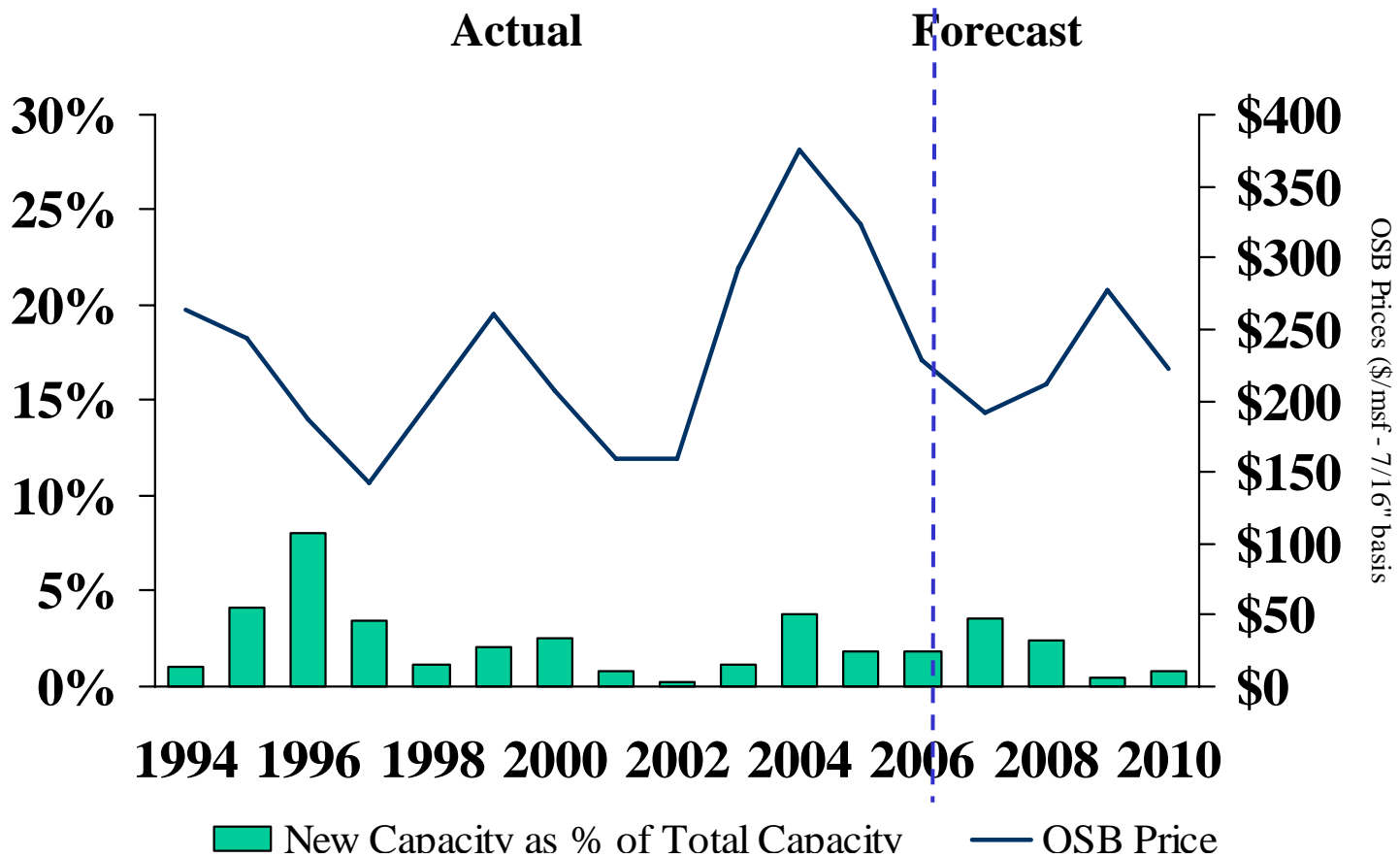
# Structural Panel Demand – North America



Source: RISI August 2006, 15 year forecast



# Net Additions of Structural Panels and OSB Prices



Source: RISI August 2006, 15 year forecast, includes greenfield and "creep" capacity

# Engineered Wood Products



- #1 position in solid-sawn I-Joist
- #3 position in LVL / I-Joist
- Steady demand growth
- Aligned and supportive customer base (#1 supplier to 2-step independent distribution)

#### Mill capacities:

LVL - 12.1 mmcf

- Murphy marketing agreement (2008)

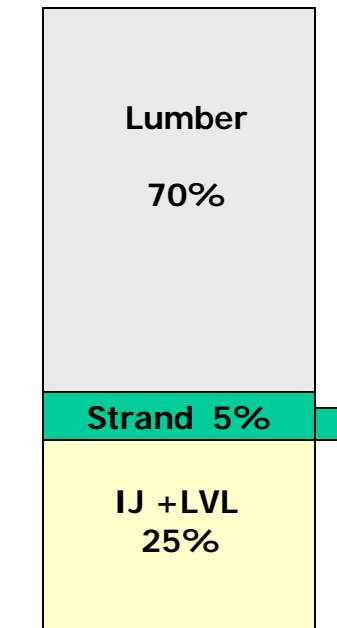
I-Joist - 80 mmlf

- 140 mmlf (Abitibi JV)

OSL - 7 mmcf (2008)

# EWP Market Summary

## ***1. High EWP Potential: \$9 Billion Potential for EWP***



## ***2. Strand-based products will win future growth***

- Distributors want full line suppliers
- Strand price/performance will displace other technologies
- New applications (beam / header; tall wall)

***Growing 15-20%***

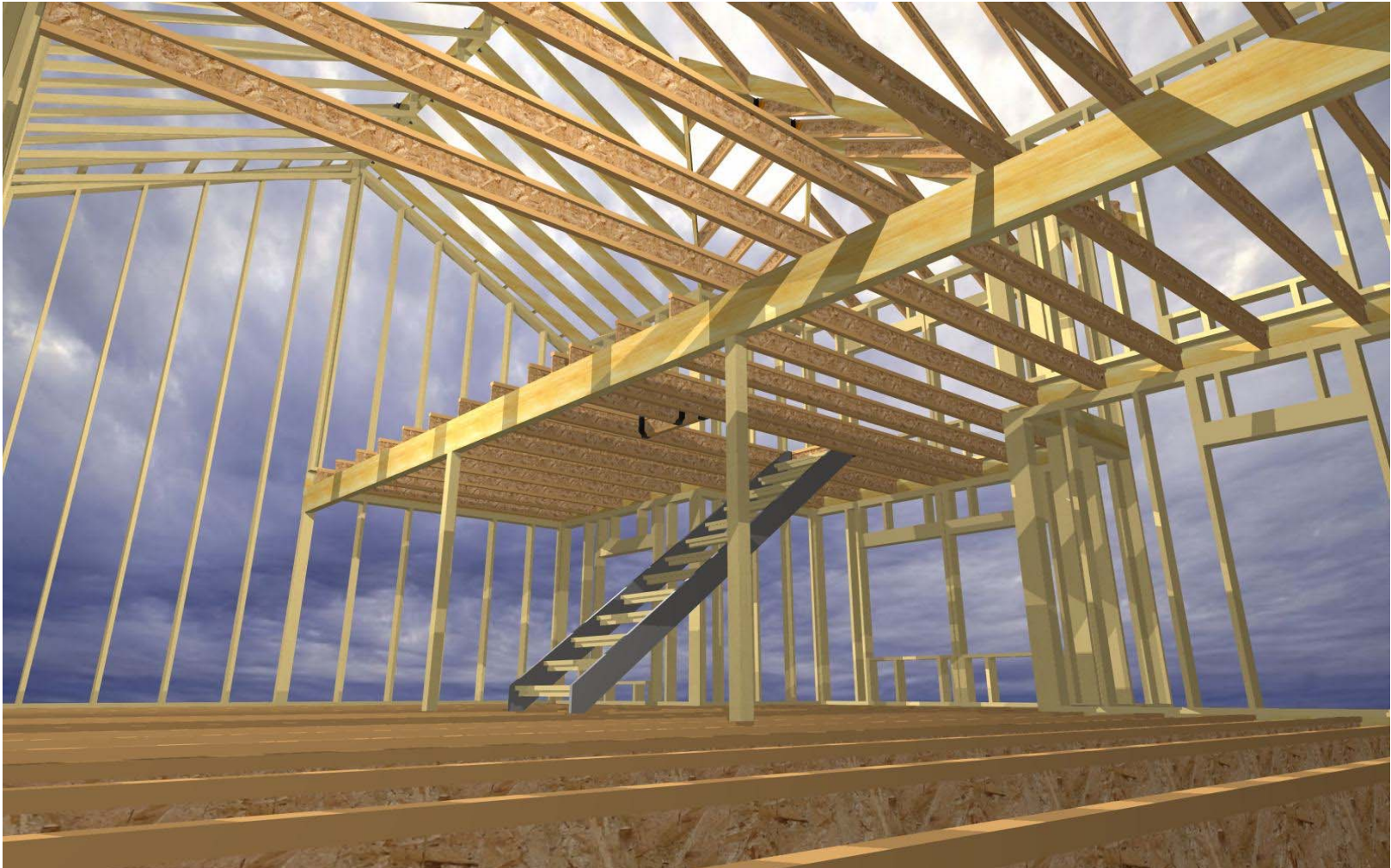
*Was growing 5-10%; forecast slower, cyclical growth  
(LP has 12% of this segment)*

## ***3. LP position in LVL, IJ needs to be solidified***

- JV in Quebec gives LP low cost position in I-Joist
- Good LVL position in the West but need more Eastern capacity
- LP #3 share; BC and TJ have own distribution and broader product lines



## OSL Expands “LP House”

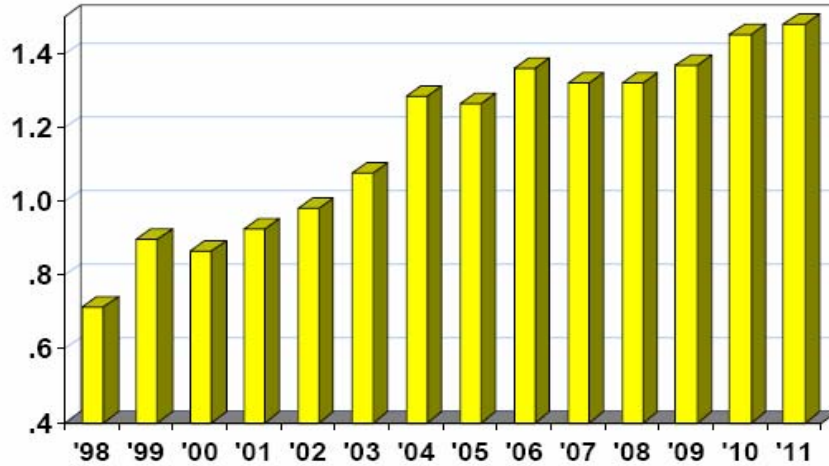




# APA Demand Forecast

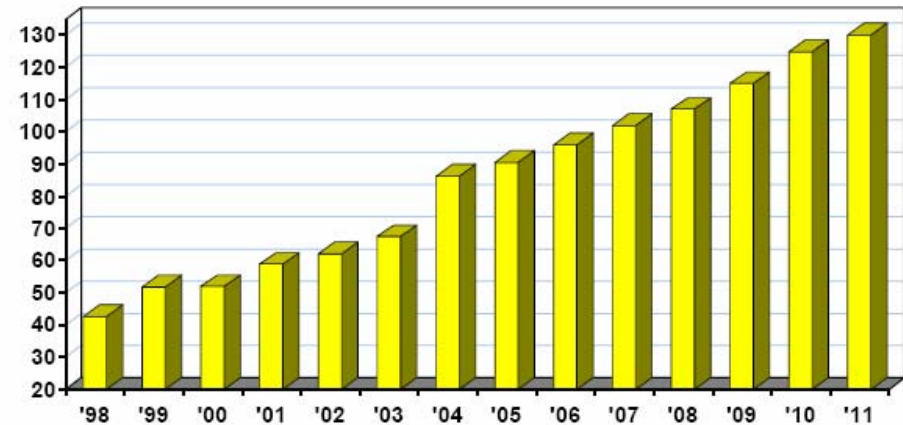
## I-Joist Demand

Billion Linear Ft.



## LVL Demand

Million Cubic Ft.





- Smart Side product line exhibiting strong growth:
  - Family of products – lap, panel, trim, fascia, soffit
  - Lower installed cost than Fiber Cement, Aluminum, and Wood
  - Curb appeal / outstanding performance
- Hardboard – lowest cost and broadest product line in the industry

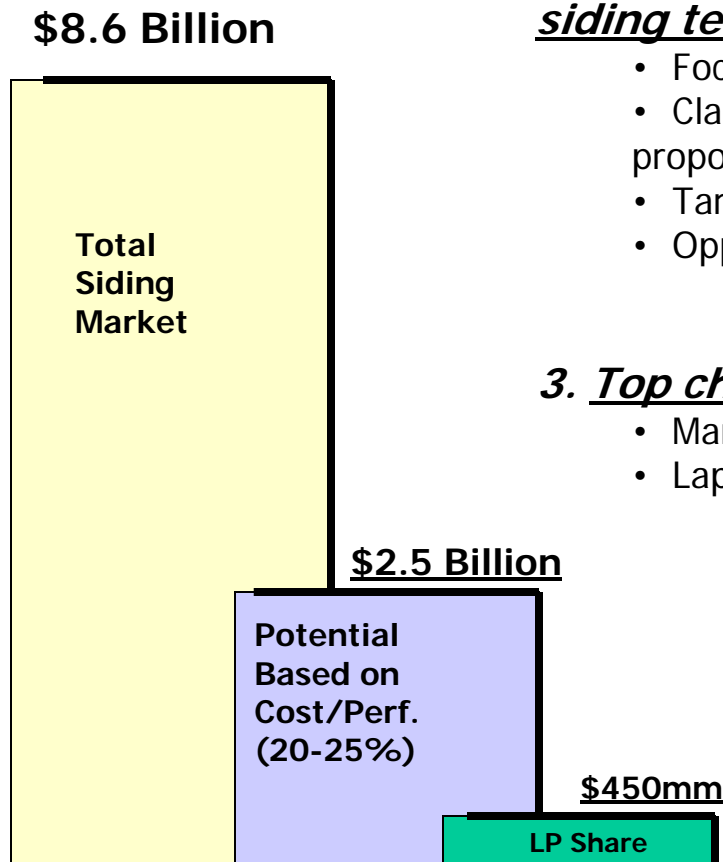
Mill capacities:

4 SmartSide mills – 900 mmsf

2 Hardboard mills – 550 mmsf

# Siding Market Summary

## 1. Huge LP opportunity



## 2. Growth opportunity: displace other siding technologies via:

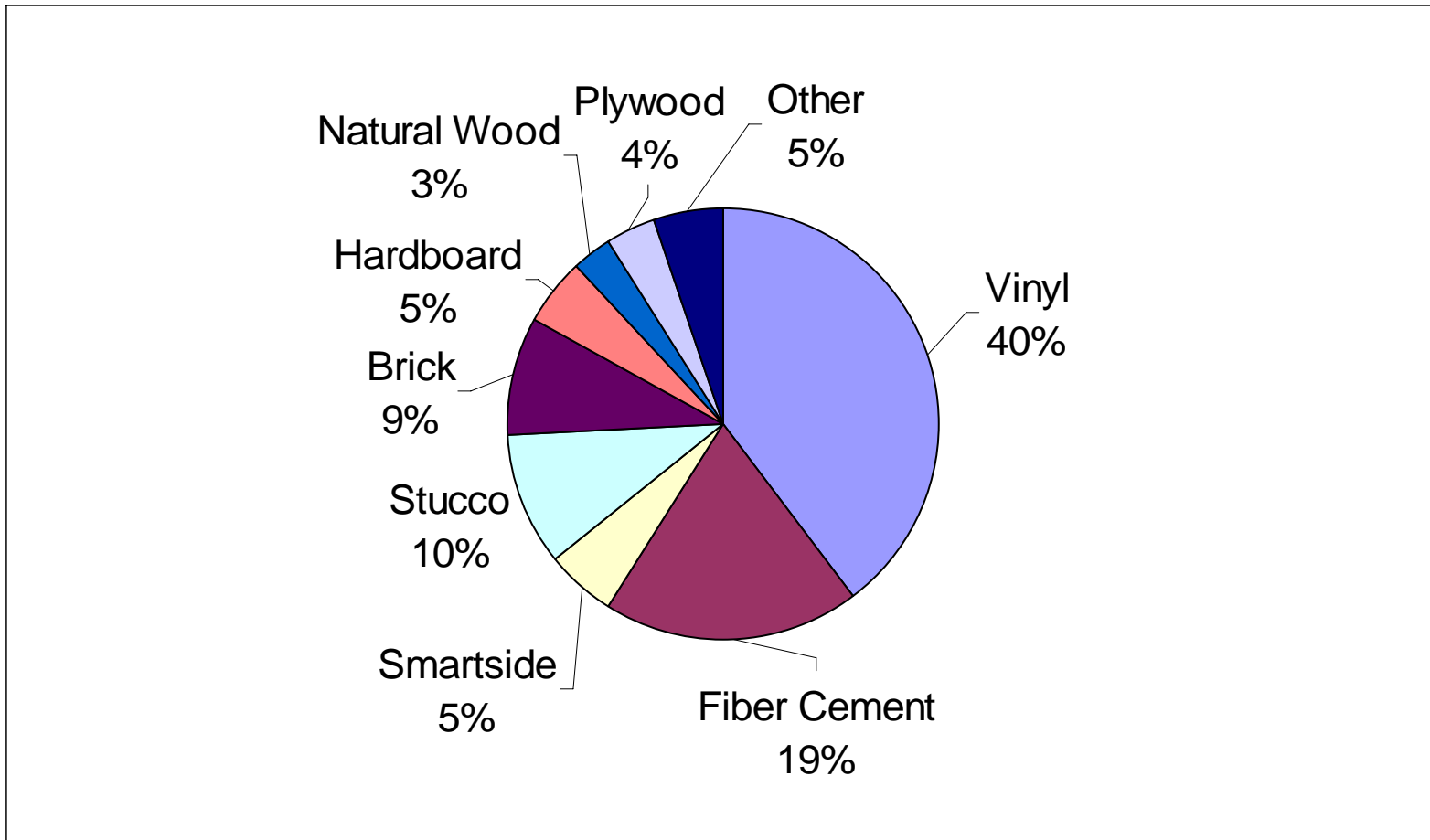
- Focus by product (lap, panel, trim, fascia, soffit)
- Clarify and better communicate superior value propositions
- Targets: Plywood, solid sawn, fiber cement and vinyl
- Opportunity to convert additional older OSB mills

## 3. Top challenges

- Marketing execution
- Lap: Shifting criteria to installed cost

*LP dominates  
"Composite Wood" niche*

# Exterior Siding Market by Category – 2005



**Total Siding Demand in North America in 2005 = 11 billion square feet**

Source: Ciprus, Freedonia, James Hardie, LP Internal

## Other Building Products



- Outdoor Living – #3 position, excellent decking products (better/best strategy)
- Chile – current mill supports early South American growth; another to be completed late in 2007 for further international growth
- Mouldings – profitable interior business with ability to broaden product line
- U.S. GreenFiber – largest cellulose insulation business in North America (50%-owned JV)

Mill capacities:

Decking – 90 mmlf

Chile – 130 mmsf; 150 mmsf being added

Moulding – 300 mmlf

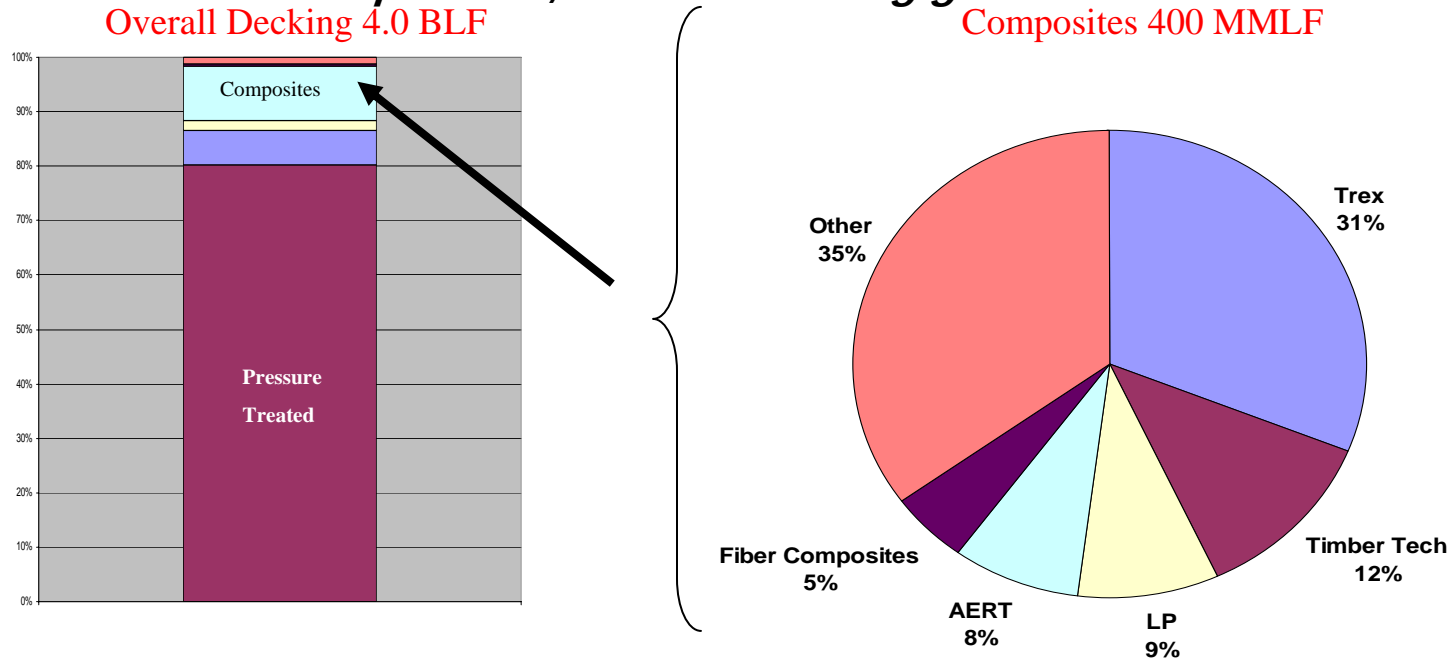
U.S. GreenFiber – 14 facilities

# Composite Decking Market Summary

## 1. The market continues to grow at double digits

- Displacement of treated lumber, now at about 11%, shows no sign of leveling off (forecast: 25-30%)
- Wood treaters response: forecasting decline; some entering composites

## 2. LP in the #2 or #3 position, but had slowing growth in 2006



## 3. LP aggressive response:

- Actions to grow faster than market
- Capacity in place ahead of demand (recent Meridian and Selma expansions)

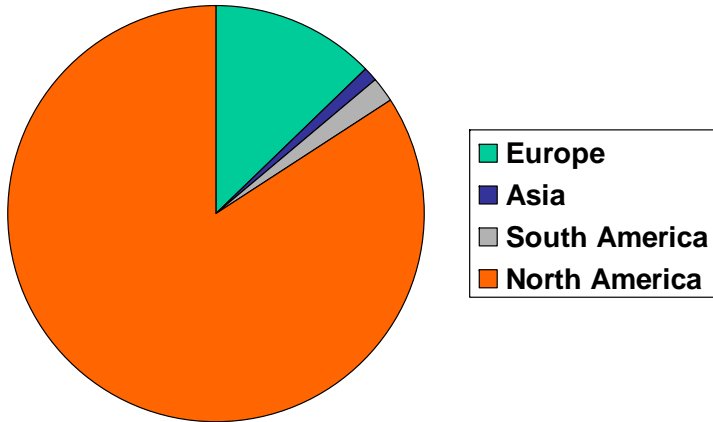


# International – Situation Analysis

Global OSB = 27 billion SF U.S. comprises 85 %

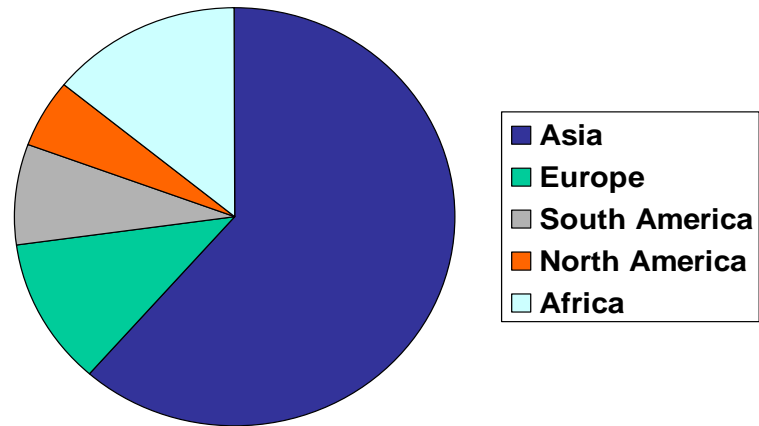
2005 Global OSB Demand

27 Billion SF



World Population By Region

6.4 Billion People



*Current market*

*Theoretical opportunity*

The opportunity for OSB is just emerging



# Conclusions

LP has ...

- Leadership position in OSB with exceptional geographic distribution
- Specialty businesses with sales > \$1 billion and growing profitability
- Continuing drive to be the low cost producer
- Growth opportunities in OSB (commodity and specialty), EWP and specialty exterior products
- Discipline in capital deployment
- Strong balance sheet ... financial flexibility to grow through the cycle