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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: July 29, 2003

Commission File Number 1-7107

### LOUISIANA-PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**93-0609074**

(IRS Employer Identification No.)

**805 SW Broadway, Suite 1200, Portland, Oregon 97205-3303**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(503) 821-5100**

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#### Item 9. Regulation FD Disclosure

Continuing its focus on core operations, LP has announced its intent to divest its non-strategic lumber operations as well as its interior hardboard operations. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," LP is required to account for the businesses anticipated to be sold within one year as discontinued operations. Accordingly, commencing with the quarter ended June 30, 2003, LP is classifying eight of its remaining lumber operations and its tile board facilities as discontinued operations. Additionally, as a result of the planned divestitures, LP was required to modify its segment reporting under SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information."

In order to facilitate comparisons between LP's results of operations and segment data for periods ended before June 30, 2003 and after June 29, 2003, LP has included as Exhibit 99.2 hereto unaudited condensed consolidated statements of income for the years ended December 31, 2000, 2001 and 2002, and for each quarter included in the years 2001, 2002 and year-to-date 2003, together with related selected segment information, all of which have been restated for informational purposes to conform to the presentation for the quarter ended June 30, 2003. The information contained in Exhibit 99.2 is not a substitute for, and should be read in conjunction with, the historical financial statements (including the notes thereto) and other information contained in LP's annual reports on Form 10-K and quarterly reports on Form 10-Q as filed with the Securities and Exchange Commission for the corresponding periods.

The balance of the information contained in this Item is intended to be included under "Item 12. Disclosure of Results of Operations and Financial Condition" and is included under Item 9 in accordance with Securities and Exchange Commission Release No. 33-8216.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of a press release of LP dated July 29, 2003, reporting LP's financial results for the second quarter of 2003.

Attached as Exhibit 99.2 and incorporated herein by reference are unaudited consolidated statements of income of LP, and selected segment information of LP, for the years ended December 31, 2002, 2001 and 2000 and for the three months ended March 31, June 30, September 30, and December 31, 2001 and for the three months ended March 31, June 30, September 30 and December 31, 2002 and for the three months ended March 31 and June 30, 2003. The data for all such periods ended prior to June 30, 2002 have been reclassified to conform to reflect the application of SFAS Nos. 144 and 131 as described above.

The information in this Form 8-K the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

#### EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of LP dated April 23, 2003 reporting LP's earnings for the second quarter 2003.
99.2	Unaudited consolidated statements of income of LP, and selected segment information, for the years ended December 31, 2002, 2001 and 2000 and for the three months ended March 31, June 30, September 30, and December 31, 2001 and for the three months ended

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date: July 29, 2003

By: /s/ Mark A. Suwyn

Mark A. Suwyn  
Chairman and Chief Executive Officer

Date: July 29, 2003

By: /s/ Curtis M. Stevens

Curtis M. Stevens  
Executive Vice President and Chief Financial  
Officer  
(Principal Financial Officer)



## NEWS RELEASE

Release No. 127-7-3

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**FOR RELEASE AT 8:00 A.M. (EDT) TUESDAY, JULY 29, 2003****LP Reports Second Quarter 2003 Results**

Portland, Ore. (July 29, 2003) - Louisiana-Pacific Corporation (LP) (NYSE: LPX) today reported a second quarter net loss of \$17.2 million, or \$0.16 per diluted share, on sales of \$479 million. In the second quarter of 2002, LP's net loss was \$13.2 million, or \$0.13 per diluted share, on sales of \$432 million. For the first six months of 2003, LP reported a net loss of \$15.7 million, or \$0.15 per diluted share, on sales of \$892 million compared to a net loss of \$22.7 million, or \$0.22 per diluted share, on sales of \$822 million for the first six months of 2002. All sales figures are from continuing operations only.

For the second quarter of 2003, income from continuing operations was \$8.9 million, or \$0.09 per share. In the second quarter of 2002, LP's income from continuing operations was \$7.5 million, or \$0.07 per diluted share. For the first six months of 2003, income from continuing operations before cumulative effect of accounting principle was \$10.9 million, or \$0.10 per share. For the first six months of 2002, income from continuing operations before cumulative effect of accounting principle was \$7.6 million, or \$0.07 per share.

"Our continuing businesses showed significant strength exiting the quarter. However, during the first two months, poor weather conditions disrupted construction activity and seasonal demand for building products. In late May and June, demand surged for oriented strand board, siding and engineered wood products. That momentum has continued to build into the third quarter," said Mark A. Suwyn, LP's chairman & CEO.

Suwyn continued, "In addition to poor weather conditions, our operations were negatively impacted by elevated costs, compared to second quarter 2002, in energy, other petroleum-based expenses, wood costs, and the continued strengthening of the Canadian dollar.

"We are making excellent progress toward achieving the objectives of our divestiture plan. During the second quarter we sold approximately \$110 million of timberland. Also, earlier this month we announced a definitive agreement to sell 465,000 acres of timberland, which represents the last significant portion of our timberland that was not under contract or sold," Suwyn stated. "We are on track to divest the remaining assets and

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generate more than \$700 million in total value (including cash, liquidation of working capital and reduction of liabilities) from this program for our shareholders."

LP also announced today that it is moving its remaining lumber and interior decorative panel facilities to discontinued operations, reflecting its intent to divest or discontinue operating these facilities within the next year. LP has signed letters of intent with interested buyers for the majority of the facilities and expects to complete most of the transactions by the end of 2003. As a result of these actions, LP was required to evaluate these facilities for impairment based on expected net sales proceeds. Based on that evaluation, LP recorded impairment charges associated with certain of these planned divestitures and shutdowns during the second quarter.

At 11:00 a.m. EDT (8:00 a.m. PDT) today, LP will host a webcast on its second quarter 2003 financial results. To access the live webcast and accompanying presentation, visit [www.lpcorp.com](http://www.lpcorp.com) and go to the "Investor Relations" section from the main menu.

LP is a premier supplier of building materials, delivering innovative, high-quality commodity and specialty products to its retail, wholesale, homebuilding and industrial customers. Visit LP's web site at [www.lpcorp.com](http://www.lpcorp.com) for additional information on the company.

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**FORWARD LOOKING STATEMENTS**

This news release 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 matters addressed in these statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those contemplated by these, 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 those contemplated by such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.

(Dollar amounts in millions, except per share amounts) (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net sales	\$ 478.5	\$ 432.3	\$ 891.6	\$ 821.5
Income (loss) before taxes, minority interest, and equity in earnings of unconsolidated affiliate	\$ 19.3	\$ 11.1	\$ 22.4	\$ 13.9
Income (loss) before taxes, minority interest, and equity in earnings of unconsolidated affiliate excluding (gain) loss on sale or impairment of long-lived assets, other operating credits and charges, net	\$ 15.5	\$ 6.8	\$ 6.1	\$ 9.3
Income (loss) from continuing operations before cumulative effect of change in accounting principle	\$ 8.9	\$ 7.5	\$ 10.9	\$ 7.6
Net income (loss)	\$ (17.2)	\$ (13.2)	\$ (15.7)	\$ (22.7)
Net income (loss) per share - basic and diluted	\$ (0.16)	\$ (0.13)	\$ (0.15)	\$ (0.22)
Average shares outstanding				
Basic	104.6	104.6	104.6	104.6
Diluted	105.1	104.7	104.9	104.6

Calculation of income from continuing operations before taxes, minority interest and equity in earnings of unconsolidated affiliate, excluding gain or loss on sale or impairment of long-lived assets and other operating credits and charges, net:

Income before taxes, minority interest, and equity in earnings of unconsolidated affiliate	\$ 19.3	\$ 11.1	\$ 22.4	\$ 13.9
(Gain) loss on sale or impairment of long-lived assets	(29.2)	(5.8)	(41.7)	(4.2)
Other operating credits and charges, net	25.4	1.5	25.4	(0.4)
Income (loss) before taxes, minority interest, and equity in earnings of unconsolidated affiliate excluding (gain) loss on sale or impairment of long-lived assets, other operating credits and charges, net	\$ 15.5	\$ 6.8	\$ 6.1	\$ 9.3

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(Dollar amounts in millions, except per share amounts) (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<b>Net Sales</b>	\$ 478.5	\$ 432.3	\$ 891.6	\$ 821.5
<b>OPERATING COSTS AND EXPENSES</b>				
Cost of sales	376.9	339.0	712.9	639.4
Depreciation, amortization and cost of timber harvested	32.1	32.4	65.0	68.7
Selling and administrative	39.9	36.7	76.5	70.5
(Gain) loss on sale or impairment of long lived assets	(29.2)	(5.8)	(41.7)	(4.2)
Other operating credits and charges, net	25.4	1.5	25.4	(0.4)
Total operating costs and expenses	445.1	403.8	838.1	774.0
Income (loss) from operations	33.4	28.5	53.5	47.5
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Foreign currency exchange gain (loss)	0.2	(0.8)	(1.7)	(1.1)
Interest expense	(22.3)	(24.4)	(45.2)	(48.2)
Interest income	8.0	7.8	15.8	15.7
Total non-operating income (expense)	(14.1)	(17.4)	(31.1)	(33.6)
Income (loss) before taxes, minority interest, and equity in earnings of unconsolidated affiliates	19.3	11.1	22.4	13.9
Provision (benefit) for income taxes	10.0	4.3	11.1	8.4
Equity in (income) loss of unconsolidated affiliates	—	(0.5)	—	(1.4)
Minority interest in net income (loss) of consolidated subsidiary	0.4	(0.2)	0.4	(0.7)

<b>Income (loss) from continuing operations before cumulative effect of change in accounting principle</b>	8.9	7.5	10.9	7.6
<b>DISCONTINUED OPERATIONS</b>				
Income (loss) from discontinued operations	(42.3)	(33.4)	(43.2)	(42.8)
Provision (benefit) for income taxes	(16.2)	(12.7)	(16.5)	(16.3)
<b>Income (loss) from discontinued operations</b>	<b>(26.1)</b>	<b>(20.7)</b>	<b>(26.7)</b>	<b>(26.5)</b>
Income (loss) before cumulative effect of change in accounting principle	(17.2)	(13.2)	(15.8)	(18.9)
<b>Cumulative effect of change in accounting principle</b>	<b>—</b>	<b>—</b>	<b>0.1</b>	<b>(3.8)</b>
<b>Net income (loss)</b>	<b>\$ (17.2)</b>	<b>\$ (13.2)</b>	<b>\$ (15.7)</b>	<b>\$ (22.7)</b>
<b>Net income (loss) per share of common stock:</b>				
Income (loss) from continuing operations	\$ 0.09	\$ 0.07	\$ 0.10	\$ 0.07
Income (loss) from discontinued operations	(0.25)	(0.20)	(0.25)	(0.26)
Cumulative effect of change in accounting principle	—	—	—	(0.03)
<b>Net Income (Loss) Per Share - Basic and Diluted</b>	<b>\$ (0.16)</b>	<b>\$ (0.13)</b>	<b>\$ (0.15)</b>	<b>\$ (0.22)</b>
<b>Average shares of common stock outstanding - Basic</b>				
	104.6	104.6	104.6	104.6
<b>- Diluted</b>	<b>105.1</b>	<b>104.7</b>	<b>104.9</b>	<b>104.6</b>

## CONDENSED CONSOLIDATED BALANCE SHEETS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(Dollar amounts in millions) (Unaudited)

	June 30, 2003	December 31, 2002
<b>ASSETS</b>		
Cash and cash equivalents	\$ 158.0	\$ 137.3
Receivables, net	139.3	99.3
Inventories	166.2	163.5
Prepaid expenses	14.4	11.3
Deferred income taxes	46.2	38.6
Current assets of discontinued operations	14.5	41.3
<b>Total current assets</b>	<b>538.6</b>	<b>491.3</b>
<b>Timber and timberlands</b>		
Forest licenses	95.8	97.3
Deposits and other	15.4	15.1
Timber and timberlands held for sale	278.1	377.5
<b>Total timber and timberlands</b>	<b>389.3</b>	<b>489.9</b>
Property, plant and equipment	1,786.7	1,770.1
Accumulated depreciation	(981.0)	(928.6)
Net property, plant and equipment	805.7	841.5
Goodwill	276.7	276.7
Other intangible assets	26.9	29.9
Notes receivable from asset sales	403.9	403.9
Assets transferred under contractual arrangement	—	29.1
Restricted cash	92.8	46.8
Other assets	120.3	63.9
Long-term assets of discontinued operations	54.3	100.2
<b>Total assets</b>	<b>\$ 2,708.5</b>	<b>\$ 2,773.2</b>
<b>LIABILITIES AND EQUITY</b>		
Current portion of long-term debt	\$ 1.1	\$ 35.3
Accounts payable and accrued liabilities	215.7	211.1
Current portion of contingency reserves	40.0	20.0
<b>Total current liabilities</b>	<b>256.8</b>	<b>266.4</b>
<b>Long-term debt, excluding current portion:</b>		
Limited recourse notes payable	396.5	396.5
Other long-term debt	643.8	673.6
<b>Total long-term debt, excluding current portion</b>	<b>1,040.3</b>	<b>1,070.1</b>
Contingency reserves, excluding current portion	85.3	106.1
Liabilities transferred under contractual arrangement	—	15.3
Deferred income taxes and other	342.6	309.1

Commitments and contingencies

Stockholders' equity:

Common stock	116.9	116.9
Additional paid-in capital	447.8	446.8
Retained earnings	730.1	745.8
Treasury stock	(228.4)	(230.2)
Accumulated comprehensive loss	(82.9)	(73.1)
Total stockholders' equity	983.5	1,006.2
Total liabilities and equity	\$ 2,708.5	\$ 2,773.2

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(Dollar amounts in millions) (Unaudited)

	<u>Six Months Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (15.7)	\$ (22.7)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and cost of timber harvested	69.9	83.9
(Gain) loss on sale or impairment on long-lived assets	(24.8)	23.2
Other operating charges and credits	35.4	3.1
Exchange loss on remeasurement	10.0	3.7
Increase in contingency reserves	8.4	2.2
Cash settlement of contingencies	(8.0)	(24.8)
Cumulative effect of change in accounting principle	(0.1)	6.3
Other adjustments	(3.0)	(10.6)
Increase in certain working capital components and deferred taxes	(24.8)	(3.2)
Net cash provided by operating activities	<u>47.3</u>	<u>61.1</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment additions	(25.9)	(15.5)
Proceeds from timber & timberland sales	54.1	1.1
Proceeds from asset sales	30.2	19.5
Increase in restricted cash from asset sales	(46.0)	—
Return of capital from unconsolidated subsidiary	27.1	—
Other investing activities, net	(1.8)	5.9
Net cash provided by investing activities	<u>37.7</u>	<u>11.0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net payments under revolving credit facilities	(30.0)	(32.0)
Long term borrowings	—	17.1
Repayment of long-term debt	(37.1)	(17.0)
Other financing activities, net	1.5	(4.2)
Net cash used in financing activities	<u>(65.6)</u>	<u>(36.1)</u>
<b>EFFECT OF EXCHANGE RATE ON CASH:</b>		
	<u>1.3</u>	<u>0.1</u>
Net increase in cash and cash equivalents	20.7	36.1
Cash and cash equivalents at beginning of period	137.3	61.6
Cash and cash equivalents at end of period	<u>\$ 158.0</u>	<u>\$ 97.7</u>

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

SELECTED SEGMENT INFORMATION

(Dollar amounts in millions) (Unaudited)

	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>Net sales:</b>				
OSB	\$ 229.2	\$ 194.8	\$ 423.5	\$ 383.6
Composite Wood Products	100.8	101.8	189.5	188.1
Plastic Building Products	57.6	43.7	100.2	73.8

Engineered Wood Products	72.8	67.8	137.3	121.3
Pulp	—	0.6	—	0.7
Other	25.6	40.1	52.4	84.0
Less: Intersegment sales	(7.5)	(16.5)	(11.3)	(30.0)
	<u>\$ 478.5</u>	<u>\$ 432.3</u>	<u>\$ 891.6</u>	<u>\$ 821.5</u>
<b>Operating profit (loss):</b>				
OSB	\$ 37.1	\$ 25.0	\$ 50.9	\$ 48.1
Composite Wood Products	10.5	17.6	20.2	28.4
Plastic Building Products	6.1	1.3	9.3	2.0
Engineered Wood Products	(1.1)	2.0	(2.1)	4.3
Pulp	—	(2.3)	—	(3.6)
Other	(1.0)	1.9	2.3	5.7
Other operating credits and charges, net	(25.4)	(1.5)	(25.4)	0.4
Gain (loss) on sale or impairment of long-lived assets	29.2	5.8	41.7	4.2
General corporate and other expenses, net	(21.8)	(22.1)	(45.1)	(43.1)
Interest income (expense), net	(14.3)	(16.6)	(29.4)	(32.5)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated subsidiary	<u>\$ 19.3</u>	<u>\$ 11.1</u>	<u>\$ 22.4</u>	<u>\$ 13.9</u>

## LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

### NOTES TO FINANCIAL DATA

(Dollar amounts in millions, except per share amounts) (Unaudited)

- Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.
- On May 8, 2002, LP announced that its board of directors had approved a plan to sell selected businesses and assets in order to significantly reduce LP's current debt. As revised in May 2003, the plan involves divesting LP's plywood, industrial panels, timber and timberlands, wholesale and distribution businesses and certain lumber mills. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", LP is required to account for the businesses sold or anticipated to be sold within one year as discontinued operations. Additionally, as a result of the planned divestitures, LP was required to modify its segment reporting under SFAS No. 131, "Disclosures about Segments of Enterprise and Related Information".
- Other Operating Charges and Credits, Net:

The major components of "Other operating charges and credits, net" in the Condensed Consolidated Statements Of Income for the quarter and six months ended June 30 are reflected in the table below and are described in the paragraphs following the table:

Quarter Ended June 30,	2003		2002	
	Pre-tax	After tax	Pre-tax	After tax
Additions to product related contingency reserves	\$ (6.7)	\$ (4.1)	\$ —	\$ —
Additions to environmental contingency reserves	(2.7)	(1.6)	—	—
Loss related to assets and liabilities transferred under contractual arrangement	(16.0)	(9.8)	—	—
Severance charges	—	—	(1.5)	(0.9)
	<u>\$ (25.4)</u>	<u>\$ (15.5)</u>	<u>\$ (1.5)</u>	<u>\$ (0.9)</u>
<b>Six Months Ended June 30,</b>				
	Pre-tax	After tax	Pre-tax	After tax
Insurance recoveries	\$ —	\$ —	\$ 1.9	\$ 1.1
Additions to product related contingency reserves	(6.7)	(4.1)	—	—
Additions to environmental contingency reserves	(2.7)	(1.6)	—	—
Loss related to assets and liabilities transferred under contractual arrangement	(16.0)	(9.8)	—	—
Severance charges	—	—	(1.5)	(0.9)
	<u>\$ (25.4)</u>	<u>\$ (15.5)</u>	<u>\$ 0.4</u>	<u>\$ 0.2</u>

In the first quarter of 2002, LP recorded a net gain of \$1.9 million (\$1.1 million after taxes, or \$0.01 per diluted share) from business interruption insurance recoveries related to incidents at facilities that occurred in past years.

In the second quarter of 2002, LP recorded a loss of \$1.5 million (\$1.0 million after tax, or \$0.01 per share) on severance accrued as part of the divestiture plan.

In the second quarter of 2003, LP recorded a loss of \$16.0 million (\$9.8 million after taxes, or \$0.15 per share) related to assets and liabilities transferred under contractual arrangement due to the increase in a valuation allowance associated with notes receivable from Samoa Pacific; a loss of \$6.7 million (\$4.1 million after taxes, or \$0.04 per share) from increases in product related contingency reserves associated with the National OSB class action settlement and a loss of \$2.7 million (\$1.6 million after taxes, or \$0.01 per diluted share) associated with environmental reserves at our Ketchikan Pulp Company operations.

#### 4. Gain (Loss) on Sale or Impairment of Long-Lived Assets:

The major components of "Gain (loss) on sale or impairment of long-lived assets" in the Condensed Consolidated Statements Of Income for the quarter and year ended December 31 are reflected in the table below and are described in the paragraphs following the table:

Quarter Ended June 30,	2003		2002	
	Pre-tax	After tax	Pre-tax	After tax
Gain on sales of timber	\$ 29.3	\$ 17.9	\$ —	\$ —
Loss on other long-lived assets	(0.1)	(0.1)	7.1	4.3
Impairment charges on fixed assets	—	—	(1.3)	(0.8)
	<u>\$ 29.2</u>	<u>\$ 17.8</u>	<u>\$ 5.8</u>	<u>\$ 3.5</u>
<b>Six months ended June 30,</b>				
	2003		2002	
	Pre-tax	After tax	Pre-tax	After tax
Gain on sales of timber	\$ 41.8	\$ 25.5	\$ —	\$ —
Loss on other long-lived assets	(0.1)	(0.1)	7.1	4.3
Impairment charges on fixed assets	—	—	(2.9)	(1.8)
	<u>\$ 41.7</u>	<u>\$ 25.4</u>	<u>\$ 4.2</u>	<u>\$ 2.5</u>

In the first quarter of 2002, LP recorded a loss of \$1.6 million (\$0.9 million after taxes, or \$0.01 per diluted share) associated with impairment charges on assets held.

In the second quarter of 2002, LP recorded a loss of \$1.3 million (\$0.8 million after taxes, or \$0.01 per diluted share) associated with impairment charges on assets held and a gain of \$7.1 million (\$4.3 million after taxes, or \$0.04 per share) on the sale of certain assets.

In the first quarter of 2003, LP recorded a gain of \$12.5 million (\$7.7 million after taxes, or \$0.07 per diluted share) associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan.

In the second quarter of 2003, LP recorded a gain of \$29.3 million (\$17.9 million after taxes, or \$0.17 per share) associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan and a loss of \$0.1 million (\$0.1 million after taxes, or \$0.00 per diluted share) associated with the sale of certain other assets.

#### 5. Income Taxes

	Quarter Ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
Continuing operations	\$ 18.9	\$ 11.8	\$ 22.0	\$ 16.0
Discontinued operations	(42.3)	(33.4)	(43.2)	(42.8)
Cumulative effect of change in accounting principle	—	—	0.2	(6.3)
	(23.4)	(21.6)	(21.0)	(33.1)
Total tax provision (benefit)	(6.2)	(8.4)	(5.3)	(10.4)
Net income (loss)	<u>\$ (17.2)</u>	<u>\$ (13.2)</u>	<u>\$ (15.7)</u>	<u>\$ (22.7)</u>

Accounting standards require that the estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) by income component for the year be applied to year-to-date income or loss at the end of each quarter. The primary difference between the statutory rate (38%) on continuing operations and the calculated rate relates to permanent difference associated with certain inter-company debt which is denominated in Canadian dollars. The components and associated estimated effective income tax rates applied to each period are as follows:

	Quarter Ended June 30,			
	2003		2002	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	\$ 10.0	53%	\$ 4.3	36%
Discontinued operations	(16.2)	38%	(12.7)	38%
Cumulative effect of accounting change	—	—	—	—
	<u>\$ (6.2)</u>	26%	<u>\$ (8.4)</u>	39%
	Six Months Ended June 30,			
	2003		2002	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	\$ 11.1	50%	\$ 8.4	53%
Discontinued operations	(16.5)	38%	(16.3)	38%
Cumulative effect of accounting change	0.1	38%	(2.5)	38%
	<u>\$ (5.3)</u>	26%	<u>\$ (10.4)</u>	31%

#### 6. Cumulative Effect of Change in Accounting Principles:

LP adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations", as of January 1, 2003. This statement addresses the retirement of long-lived assets and the associated retirement costs. Under this statement, we will record both an initial asset and a liability for the present value of estimated costs of legal obligations associated with the retirement of long-lived assets. These initial assets will



be depreciated over the expected useful life of the asset. Upon adoption of this statement, we changed our accounting for landfill closures, reforestation obligations associated with certain timber licenses in Canada and other assets. Implementation of this standard resulted in income of \$0.2 million (or \$0.1 million after tax) recorded as a "cumulative effect of change in accounting principle" as of January 1, 2003.

LP adopted Statement of Financial Accounting Standards No. 142, "Goodwill and other Intangible Assets", as of January 1, 2002. As of January 1, 2002, LP discontinued amortization of goodwill. LP has determined that \$6.3 million of goodwill recorded in the Engineered Wood Products business was impaired as of January 1, 2002 and this amount is recorded net of income tax effects as a "cumulative effect of change in accounting principle" as of January 1, 2002.

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LOUISIANA-PACIFIC CORPORATION

SUMMARY OF PRODUCTION VOLUMES

	Quarter Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Oriented strand board, million square feet 3/8" basis	1,298	1,363	2,587	2,723
Wood-based siding, million square feet 3/8" basis	213	202	420	389
Engineered I-Joist, million lineal feet	21	23	43	41
Laminated veneer lumber (LVL), thousand cubic feet	2,551	2,277	4,755	4,293
Composite Decking, thousand lineal feet	8,462	5,773	16,444	8,449
Vinyl Siding, squares	747	722	1,302	1,205

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

	For the year ended December 31,		
	2002	2001	2000
Net sales	\$ 1,595,200	\$ 1,591,600	\$ 2,197,400
Operating costs and expenses:			
Cost of sales	1,284,600	1,348,100	1,650,900
Depreciation, depletion and amortization	132,600	163,400	189,700
Selling and administrative	133,900	146,700	213,100
(Gain) loss on sale of and impairment of long-lived assets, net	(61,300)	37,200	56,700
Other operating credits and charges, net	29,500	57,800	13,900
Total operating costs and expenses	1,519,300	1,753,200	2,124,300
Income (loss) from operations	75,900	(161,600)	73,100
Non-operating income (expense):			
Foreign currency exchange gains (losses)	(3,200)	2,400	(1,200)
Interest expense, net of capitalized interest	(95,800)	(93,100)	(81,000)
Interest income	32,800	33,300	37,900
Total non-operating income (expense)	(66,200)	(57,400)	(44,300)
Income (loss) from continuing operations before taxes, minority interest, and equity in earnings of unconsolidated affiliates	9,700	(219,000)	28,800
Provision (benefit) for income taxes	16,100	(85,100)	8,800
Minority interest in net income (loss) of consolidated subsidiaries	(2,800)	(5,100)	—
Equity in (earnings) losses of unconsolidated affiliates	(900)	—	7,100
Income (loss) from continuing operations before cumulative effect of change accounting principle	(2,700)	(128,800)	12,900
Discontinued operations			
Income (loss) from discontinued operations	(90,600)	(70,100)	(43,600)
Income tax (benefit) provision	(35,100)	(27,300)	(16,900)
Income (loss) from discontinued operations	(55,500)	(42,800)	(26,700)
Income (loss) before cumulative effect of change in accounting principle	(58,200)	(171,600)	(13,800)
Cumulative effect of change in accounting principle, net of tax	(3,800)	—	—
Net income (loss)	(62,000)	(171,600)	(13,800)
Net income (loss) per share of common stock - basic and diluted:			
Income (loss) from continuing operations	\$ (0.03)	\$ (1.23)	\$ 0.13
Income (loss) from discontinued operations	(0.53)	(0.41)	(0.26)
Cumulative effect of change in accounting principle	(0.03)	—	—
Net income (loss) - per share - basic and diluted	\$ (0.59)	\$ (1.64)	\$ (0.13)

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

SEGMENT REPORT:

	For the year ended December 31,		
	2002	2001	2000
Net sales:			
OSB	\$ 727,300	\$ 732,200	\$ 938,100
Composite Wood Products	355,300	319,000	240,000
Plastic Building Products	152,000	131,000	128,900
Engineered Wood Products	263,000	237,500	323,500
Other	147,400	163,400	430,700
Pulp	1,300	48,000	151,500
Less Intersegment Sales	(51,100)	(39,500)	(15,300)
Net sales	\$ 1,595,200	\$ 1,591,600	\$ 2,197,400
Operating profit (loss):			
OSB	\$ 61,100	\$ 28,200	\$ 228,900
Composite Wood Products	45,100	27,500	31,100

Plastic Building Products	5,000	(5,800)	(6,000)
Engineered Wood Products	5,200	(400)	(16,000)
Other	7,900	(300)	(9,200)
Pulp	(2,000)	(27,300)	12,800
Other operating charges and credits	(29,500)	(57,800)	(13,900)
Gain (loss) on sale or impairment of long lived assets	61,300	(37,200)	(56,700)
General corporate and other expenses, net	(81,400)	(86,100)	(99,100)
Interest income (expense), net	(63,000)	(59,800)	(43,100)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated subsidiary	<u>\$ 9,700</u>	<u>\$ (219,000)</u>	<u>\$ 28,800</u>

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

**OTHER INFORMATION:**

	For the year ended December 31,		
	2002	2001	2000
<b>Depreciation, Amortization and Cost of Timber Harvested</b>			
OSB	\$ 74,500	\$ 95,800	\$ 91,300
Composite Wood Products	16,000	20,200	19,000
Plastic Building Products	6,200	5,100	4,400
Engineered Wood Products	17,100	15,700	19,000
Other	8,100	12,700	35,800
Pulp	—	3,000	10,400
Non-segment related	10,700	10,900	9,800
	<u>\$ 132,600</u>	<u>\$ 163,400</u>	<u>\$ 189,700</u>

**Production Information**

Oriented strand board, million square feet 3/8" basis	5,122	5,240	5396
Wood-based siding, million square feet 3/8" basis	786	733	651
Composite Decking, thousand lineal feet	21,991	8,082	9,313
Vinyl Siding, squares	2,419	2,246	1,986
Engineered I-Joist, million lineal feet	84	71	70
Laminated veneer lumber (LVL), thousand cubic feet	8,394	6,924	7008

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

	First Quarter			Second Quarter			Third Quarter		Fourth Quarter	
	2003	2002	2001	2003	2002	2001	2002	2001	2002	2001
Net sales	\$ 413,100	\$ 389,200	\$ 378,100	\$ 478,500	\$ 432,300	\$ 446,400	\$ 415,300	\$ 429,700	\$ 358,400	\$ 337,400
Operating costs and expenses:										
Cost of sales	336,000	300,400	355,700	376,900	339,000	350,200	344,100	343,700	301,100	298,500
Depreciation, depletion and amortization	32,900	36,300	42,000	32,100	32,400	39,100	31,900	42,600	32,000	39,700
Selling and administrative	36,600	33,800	38,900	39,900	36,700	43,500	32,900	33,300	30,500	31,000
(Gain) loss on sale of and impairment of long-lived assets, net	(12,500)	1,600	11,200	(29,200)	(5,800)	200	(38,800)	(2,000)	(18,300)	27,800
Other operating credits and charges, net	—	(1,900)	6,400	25,400	1,500	9,900	2,600	8,600	27,300	32,900
Total operating costs and expenses	393,000	370,200	454,200	445,100	403,800	442,900	372,700	426,200	372,600	429,900
Income (loss) from operations	20,100	19,000	(76,100)	33,400	28,500	3,500	42,600	3,500	(14,200)	(92,500)
Non-operating income (expense):										
Foreign currency exchange gains (losses)	(1,900)	(300)	2,100	200	(800)	(3,800)	(500)	1,600	(1,600)	2,500
Interest expense, net of capitalized interest	(22,900)	(23,800)	(22,800)	(22,300)	(24,400)	(20,800)	(23,900)	(23,600)	(23,700)	(25,900)
Interest income	7,800	7,900	7,700	8,000	7,800	7,200	8,300	8,000	8,800	10,400
Total non-operating income (expense)	(17,000)	(16,200)	(13,000)	(14,100)	(17,400)	(17,400)	(16,100)	(14,000)	(16,500)	(13,000)
Income (loss) from continuing operations before taxes, minority interest, and equity in earnings of unconsolidated affiliates	3,100	2,800	(89,100)	19,300	11,100	(13,900)	26,500	(10,500)	(30,700)	(105,500)
Provision (benefit) for income taxes	1,100	4,100	(13,000)	10,000	4,300	(3,200)	9,800	(14,700)	(2,100)	(54,200)
Minority interest in net income (loss)	—	(900)	(1,300)	—	(500)	(1,300)	(900)	(1,300)	(500)	(1,200)

of consolidated subsidiaries											
Equity in (earnings) losses of unconsolidated affiliates	—	(500)	—	400	(200)	400	(200)	400	—	(800)	
Income (loss) from continuing operations before cumulative effect of change accounting principle	2,000	100	(74,800)	8,900	7,500	(9,800)	17,800	5,100	(28,100)	(49,300)	
Discontinued operations											
Income (loss) from discontinued operations	(900)	(9,400)	(24,000)	(42,300)	(33,400)	300	(23,500)	(11,200)	(24,300)	(35,200)	
Income tax (benefit) provision	(300)	(3,600)	(9,400)	(16,200)	(12,700)	200	(9,000)	(4,400)	(9,800)	(13,700)	
Income (loss) from discontinued operations	(600)	(5,800)	(14,600)	(26,100)	(20,700)	100	(14,500)	(6,800)	(14,500)	(21,500)	
Income (loss) before cumulative effect of change in accounting principle	1,400	(5,700)	(89,400)	(17,200)	(13,200)	(9,700)	3,300	(1,700)	(42,600)	(70,800)	
Cumulative effect of change in accounting principle, net of tax	100	(3,800)	—	—	—	—	—	—	—	—	
Net income (loss)	1,500	(9,500)	(89,400)	(17,200)	(13,200)	(9,700)	3,300	(1,700)	(42,600)	(70,800)	
Net income (loss) per share of common stock - basic and diluted:											
Income (loss) from continuing operations	\$ 0.02	\$ 0.00	\$ (0.72)	\$ 0.09	\$ 0.07	\$ (0.09)	\$ 0.17	\$ 0.05	\$ (0.27)	\$ (0.47)	
Income (loss) from discontinued operations	(0.01)	(0.06)	(0.14)	(0.25)	(0.20)	0.00	(0.14)	(0.07)	(0.14)	(0.21)	
Cumulative effect of change in accounting principle	0.00	(0.03)	—	—	—	—	—	—	—	—	
Net income (loss) - per share - basic and diluted	\$ 0.01	\$ (0.09)	\$ (0.86)	\$ (0.16)	\$ (0.13)	\$ (0.09)	\$ 0.03	\$ (0.02)	\$ (0.41)	\$ (0.68)	

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

SEGMENT REPORT:

	First Quarter			Second Quarter			Third Quarter		Fourth Quarter	
	2003	2002	2001	2003	2002	2001	2002	2001	2002	2001
Net sales:										
OSB	\$ 194,500	\$ 188,800	\$ 165,100	\$ 229,200	\$ 194,800	\$ 208,800	\$ 173,000	\$ 197,300	\$ 170,700	\$ 161,000
Composite Wood Products	88,700	86,300	64,600	100,800	101,800	98,100	90,000	90,800	77,200	65,500
Plastic Building Products	42,600	30,100	26,800	57,600	43,700	37,800	47,000	39,800	31,200	26,600
Engineered Wood Products	64,500	53,500	56,000	72,800	67,800	63,700	81,600	66,300	60,100	51,500
Other	26,700	43,900	39,500	25,600	40,100	36,900	36,700	44,100	26,700	42,900
Pulp	—	100	32,900	—	600	9,900	600	3,900	—	1,300
Less Intersegment Sales	(3,900)	(13,500)	(6,800)	(7,500)	(16,500)	(8,800)	(13,600)	(12,500)	(7,500)	(11,400)
<b>Net sales</b>	<b>\$ 413,100</b>	<b>\$ 389,200</b>	<b>\$ 378,100</b>	<b>\$ 478,500</b>	<b>\$ 432,300</b>	<b>\$ 446,400</b>	<b>\$ 415,300</b>	<b>\$ 429,700</b>	<b>\$ 358,400</b>	<b>\$ 337,400</b>
Operating profit (loss):										
OSB	\$ 13,800	\$ 23,100	\$ (14,100)	\$ 37,100	\$ 25,000	\$ 30,800	\$ 8,000	\$ 22,600	\$ 5,000	\$ (11,100)
Composite Wood Products	9,700	10,800	800	10,500	17,600	13,700	9,600	8,800	7,100	4,200
Plastic Building Products	3,200	700	(2,700)	6,100	1,300	(300)	3,400	(400)	(400)	(2,400)
Engineered Wood Products	(1,000)	2,300	700	(1,100)	2,000	(1,300)	2,600	900	(1,700)	(700)
Other	3,300	3,800	(3,800)	(1,000)	1,900	(1,900)	1,100	2,600	1,100	2,800
Pulp	—	(1,300)	(12,800)	—	(2,300)	(6,300)	1,400	(4,900)	200	(3,300)
Other operating charges and credits	—	1,900	(6,400)	(25,400)	(1,500)	(10,000)	(2,600)	(8,500)	(27,300)	(32,900)
Gain (loss) on sale or impairment of long lived assets	12,500	(1,600)	(11,200)	29,200	5,800	(200)	38,800	2,000	18,300	(27,800)
General corporate and other expenses, net	(23,300)	(21,000)	(24,500)	(21,800)	(22,100)	(24,800)	(20,200)	(18,000)	(18,100)	(18,800)
Interest income (expense), net	(15,100)	(15,900)	(15,100)	(14,300)	(16,600)	(13,600)	(15,600)	(15,600)	(14,900)	(15,500)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated subsidiary	\$ 3,100	\$ 2,800	\$ (89,100)	\$ 19,300	\$ 11,100	\$ (13,900)	\$ 26,500	\$ (10,500)	\$ (30,700)	\$ (105,500)

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE) (UNAUDITED)

OTHER INFORMATION:

	First Quarter			Second Quarter			Third Quarter		Fourth Quarter	
	2003	2002	2001	2003	2002	2001	2002	2001	2002	2001
<b>Depreciation, Amortization and Cost of Timber Harvested</b>										
OSB	\$ 18,700	\$ 20,900	\$ 23,700	\$ 17,300	\$ 18,000	\$ 23,900	\$ 17,500	\$ 24,800	\$ 18,100	\$ 23,400
Composite Wood Products	4,100	4,000	4,900	4,300	4,100	5,400	4,200	5,000	3,700	4,900
Plastic Building Products	1,700	1,300	1,200	1,900	1,600	1,300	1,700	1,200	1,600	1,400
Engineered Wood Products	4,000	4,200	3,500	3,600	4,100	3,800	4,200	4,600	4,600	3,800
Other	2,000	3,100	3,500	2,200	2,100	3,000	1,600	3,200	1,300	3,000
Pulp	—	—	1,600	—	—	600	—	400	—	400
Non-segment related	2,400	2,800	3,600	2,800	2,500	1,100	2,700	3,400	2,700	2,800
	<b>\$ 32,900</b>	<b>\$ 36,300</b>	<b>\$ 42,000</b>	<b>\$ 32,100</b>	<b>\$ 32,400</b>	<b>\$ 39,100</b>	<b>\$ 31,900</b>	<b>\$ 42,600</b>	<b>\$ 32,000</b>	<b>\$ 39,700</b>

**Production Information**

Oriented strand board, million square feet 3/8" basis	1,289	1,360	1,367	1,298	1,363	1,361	1,191	1,309	1,208	1,203
Wood-based siding, million square feet 3/8" basis	207	187	154	213	202	193	203	208	194	178
Composite Decking, thousand lineal	7,982	2,676	4,180	8,462	5,773	1,948	6,660	896	6,882	1,058

feet

Vinyl Siding, squares	555	483	461	747	722	663	708	689	506	433
Engineered I-Joist, million lineal feet	21	18	14	21	23	23	24	21	19	13
Laminated veneer lumber (LVL), thousand cubic feet	2,204	2,016	1,694	2,551	2,277	2,079	2,116	1,914	1,985	1,237

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