UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

**Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934**

For Quarterly Period Ended September 30, 2018

Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	**93-0609074**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

414 Union Street, Nashville, TN 37219
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (615) 986-5600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	o		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 141,178,489 shares of Common Stock, $1 par value, outstanding as of November 5, 2018. *Except as otherwise specified and unless the context otherwise requires, references to "LP", the "Company", "we", "us", and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.*

ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 provide a “safe harbor” for forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This report contains, and other reports and documents filed by us with the Securities and Exchange Commission (SEC) may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, our management.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include words like “may,” “will,” “could,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “potential,” “continue” or “future” or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings, capacity expansion and other growth initiatives and the adequacy of reserves for loss contingencies.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following:

- changes in governmental fiscal and monetary policies, including tariffs and levels of employment;
- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction and repair activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products;
- changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in the cost of and availability of transportation;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian *real* and Chilean *peso*;
- changes in general and industry-specific environmental laws and regulations;
- changes in tax laws, and interpretations thereof;
- changes in circumstances giving rise to environmental liabilities or expenditures;
- the resolution of existing and future product-related litigation and other legal proceedings; and
- acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by us with the SEC that warn of risks or uncertainties associated with future results, events or circumstances identify important factors that could cause actual results, events and circumstances to differ materially from those reflected in the forward-looking statements.

ABOUT THIRD-PARTY INFORMATION

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

Item 1. Financial Statements.

CONSOLIDATED BALANCE SHEETS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(AMOUNTS IN MILLIONS) (UNAUDITED)

	September 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	$ 986.7	$ 928.0
Receivables, net of allowance for doubtful accounts of $0.8 million and $0.9 million at September 30, 2018 and December 31, 2017	143.5	142.5
Inventories	284.4	259.1
Prepaid expenses and other current assets	11.9	7.8
Current portion of notes receivable from asset sales	—	22.2
Total current assets	1,426.5	1,359.6
Timber and timberlands	56.8	55.7
Property, plant and equipment, net	976.2	926.1
Goodwill and other intangible assets	26.3	26.7
Investments in and advances to affiliates	52.6	7.8
Restricted cash	13.3	13.3
Other assets	59.8	56.8
Deferred tax asset	2.9	2.5
Total assets	$ 2,614.4	$ 2,448.5
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 5.2	$ 25.1
Accounts payable and accrued liabilities	213.7	237.1
Income taxes payable	11.6	4.5
Current portion of contingency reserves	2.3	3.4
Total current liabilities	232.8	270.1
Long-term debt, excluding current portion	348.6	350.8
Deferred income taxes	73.5	33.4
Contingency reserves, excluding current portion	9.4	11.7
Other long-term liabilities	138.7	178.0
Stockholders' equity:		
Common stock, $1 par value, 200,000,000 shares authorized, 153,358,542 shares issued	153.4	153.4
Additional paid-in capital	456.5	470.6
Retained earnings	1,613.9	1,280.1
Treasury stock, 11,452,109 shares and 8,462,949 shares, at cost	(264.4)	(177.5)
Accumulated comprehensive loss	(148.0)	(122.1)
Total stockholders' equity	1,811.4	1,604.5
Total liabilities and stockholders' equity	$ 2,614.4	$ 2,448.5

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF INCOME

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net sales	$ 736.8	$ 718.3	$ 2,238.9	$ 2,023.3
Cost of sales	524.0	507.7	1,588.7	1,502.3
Gross profit	212.8	210.6	650.2	521.0
Selling, general and administrative expenses	51.2	49.3	151.9	145.3
(Gain) loss on sale or impairment of long lived assets, net	0.3	0.7	(0.3)	(1.8)
Other operating credits and charges, net	(6.3)	(0.9)	(11.2)	4.5
Income from operations	167.6	161.5	509.8	373.0
Non-operating income (expense):				
Interest expense, net of capitalized interest	(3.9)	(4.9)	(12.7)	(14.8)
Investment income	5.5	2.9	13.5	7.2
Other non-operating items	(2.2)	(2.2)	(4.3)	(7.2)
Total non-operating income (expense)	(0.6)	(4.2)	(3.5)	(14.8)
Income from continuing operations before taxes and equity in loss of unconsolidated affiliate	167.0	157.3	506.3	358.2
Provision for income taxes	41.8	46.4	122.7	97.9
Equity in loss of unconsolidated affiliate	1.1	—	1.7	—
Income from continuing operations	124.1	110.9	381.9	260.3
Loss from discontinued operations before taxes	(0.1)	(1.7)	(5.7)	(1.7)
Benefit for income taxes	—	(0.6)	(1.4)	(0.6)
Loss from discontinued operations	(0.1)	(1.1)	(4.3)	(1.1)
Net income	$ 124.0	$ 109.8	$ 377.6	$ 259.2
Net income per share of common stock:				
Income per share continuing operations	$ 0.87	$ 0.77	$ 2.65	$ 1.80
Loss per share discontinued operations	—	(0.01)	(0.03)	(0.01)
Net income per share - basic	$ 0.87	$ 0.76	$ 2.62	$ 1.79
Diluted net income per share of common stock:				
Income per share continuing operations	$ 0.86	$ 0.76	$ 2.62	$ 1.78
Loss per share discontinued operations	—	(0.01)	(0.03)	(0.01)
Net income per share - diluted	$ 0.86	$ 0.75	$ 2.59	$ 1.77
Weighted average shares of stock outstanding - basic	142.5	144.5	143.9	144.4
Weighted average shares of stock outstanding - diluted	143.9	146.5	145.6	146.3

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	$ 124.0	$ 109.8	$ 377.6	$ 259.2
Other comprehensive income (loss):				
Foreign currency translation adjustments	(2.0)	10.4	(13.5)	4.7
Unrealized gain (loss) on investments, net of tax	0.2	0.4	0.3	0.8
Defined benefit pension plans:				
Change in benefit obligations, translation adjustment	(0.1)	(0.4)	0.2	(0.8)
Amortization of amounts included in net periodic benefit cost:				
Actuarial loss, net of tax	1.1	0.9	3.4	2.6
Prior service cost, net of tax	0.1	0.2	0.3	0.6
Other	—	(0.1)	0.1	(0.1)
Other comprehensive income (loss)	(0.7)	11.4	(9.2)	7.8
Comprehensive income	$ 123.3	$ 121.2	$ 368.4	$ 267.0

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 124.0	$ 109.8	$ 377.6	$ 259.2
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	30.7	31.1	91.8	91.3
Equity in (income) loss of unconsolidated affiliates, including dividends	1.3	(0.2)	0.2	(1.2)
(Gain) loss on sale or impairment of long-lived assets, net	0.3	0.7	(0.3)	(1.8)
Other operating credits and charges, net	(6.2)	(0.9)	(6.9)	4.5
Stock-based compensation related to stock plans	2.1	2.0	6.9	8.0
Exchange (gain) loss on remeasurement	0.5	(0.1)	0.5	1.6
Cash settlements of warranties, net of accruals	(0.7)	0.1	(2.2)	(5.5)
Cash settlements of contingencies, net of accruals	(0.6)	(0.3)	(2.1)	(0.5)
Pension contributions	(35.8)	(6.1)	(40.9)	(12.7)
Pension expense	2.3	2.9	6.9	8.8
Other adjustments, net	(0.1)	0.2	0.6	0.4
Changes in assets and liabilities:				
(Increase) decrease in receivables	19.2	(17.1)	(26.2)	(61.9)
(Increase) decrease in inventories	1.7	(8.5)	(11.7)	4.5
(Increase) decrease in prepaid expenses	1.1	0.6	(4.1)	(2.7)
Increase (decrease) in accounts payable and accrued liabilities	1.9	18.1	(17.6)	12.8
Increase in income taxes	9.5	11.1	46.7	0.2
Net cash provided by operating activities	151.2	143.4	419.2	305.0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property, plant and equipment additions	(62.8)	(35.0)	(150.4)	(80.7)
Proceeds from sales of assets	—	0.1	0.9	3.3
Investments in unconsolidated affiliate	—	—	(45.0)	—
Payment of long-term deposit	—	—	—	(32.0)
Receipt of proceeds from notes receivable from asset sales	—	—	22.2	—
Other investing activities	(0.1)	0.1	(0.4)	0.3
Net cash used in investing activities	(62.9)	(34.8)	(172.7)	(109.1)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of long-term debt	(22.1)	(1.2)	(22.4)	(2.5)
Payment of cash dividends	(18.5)	—	(56.1)	—
Purchase of treasury stock	(59.8)	—	(98.7)	—
Sale of common stock, net of cash payments under equity plans	—	—	0.1	(0.4)
Taxes paid related to net share settlement of equity awards	(1.5)	(0.5)	(9.3)	(5.3)
Other financing activities	—	—	3.1	—
Net cash used in financing activities	(101.9)	(1.7)	(183.3)	(8.2)
EFFECT OF EXCHANGE RATE ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(0.6)	1.8	(4.5)	1.7
Net increase in cash, cash equivalents and restricted cash	(14.2)	108.7	58.7	189.4
Cash, cash equivalents and restricted cash at beginning of period	1,014.2	753.2	941.3	672.5
Cash, cash equivalents and restricted cash at end of period	$ 1,000.0	$ 861.9	$ 1,000.0	$ 861.9

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

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

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2017	153.4	$ 153.4	8.4	$ (177.5)	$ 470.6	$ 1,280.1	$ (122.1)	$ 1,604.5
Effect of adoption of ASU 2014-09[1]						(4.4)		(4.4)
Effect of adoption of ASU 2018-02[1]						16.7	(16.7)	—
Net income						377.6		377.6
Dividends paid						(56.1)		(56.1)
Issuance of shares for stock plans and stock-based compensation			(0.9)	21.1	(21.0)			0.1
Purchase of treasury stock			3.5	(98.7)				(98.7)
Compensation expense associated with stock-based compensation					6.9			6.9
Taxes paid related to net settlement of stock-based awards			0.5	(9.3)				(9.3)
Other comprehensive loss							(9.2)	(9.2)
Balance, September 30, 2018	153.4	$ 153.4	11.5	$ (264.4)	$ 456.5	$ 1,613.9	$ (148.0)	$ 1,811.4

[1]See Note 2 for additional detail regarding the adoption of new accounting standards.

The accompanying notes are an integral part of these unaudited financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS FOR PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of us and our subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2017.

NOTE 2 - NEW ACCOUNTING STANDARDS AND CERTAIN RECLASSIFICATIONS

On January 1, 2018, we adopted ASU 2014-09, "Revenue from Contracts with Customers" (ASC 606), and all the related amendments to all contracts using the modified retrospective method. We recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. We expect the impact of the adoption of the new revenue standard to be immaterial to our net income on an ongoing basis. Recognition of a portion of our sales revenue has been delayed due to the timing of satisfying the performance obligations. The new revenue standard also provided additional clarity that resulted in reclassifications to or from net sales and selling, general and administrative expenses.

On January 1, 2018, we adopted ASU 2018-02, “Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.” The guidance allows us to reclassify the stranded tax effects within Accumulated other comprehensive income to Retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act (the Tax Act) is recorded.

The cumulative effect of the changes made to our Consolidated Balance Sheet as of January 1, 2018 for the adoption of ASU 2014-09 and ASU 2018-02 is as follows:

Dollar amounts in millions	Balance at December 31, 2017	ASU 2014-09	ASU 2018-02	Balance at January 1, 2018
Receivables, net of allowance for doubtful accounts	$ 142.5	$ (21.7)	$ —	$ 120.8
Inventories	259.1	15.8	—	274.9
Deferred tax asset	2.5	1.5	—	4.0
Retained earnings	1,280.1	(4.4)	16.7	1,292.4
Accumulated comprehensive loss	(122.1)	—	(16.7)	(138.8)

In accordance with the new revenue standard requirements, the disclosure of the impact on our Consolidated Statement of Income and Consolidated Balance Sheet is as follows:

	Quarter Ended September 30, 2018			Nine Months Ended September 30, 2018		
Dollar amounts in millions	As reported	Balances without adoption of ASC 606	Effect of Change Higher (Lower)	As reported	Balances without adoption of ASC 606	Effect of Change Higher (Lower)
Consolidated Statement of Income						
Net sales	$ 736.8	$ 725.1	11.7	$ 2,238.9	$ 2,245.9	$ (7.0)
Cost of sales	524.0	517.6	6.4	1,588.7	1,592.6	(3.9)
Selling, general and administrative expenses	51.2	52.4	(1.2)	151.9	155.0	(3.1)
Provision for income taxes	41.8	40.2	1.6	122.7	122.7	—
Net income	124.0	119.1	4.9	377.6	377.6	—
Consolidated Balance Sheet	September 30, 2018					
Receivables, net of allowance for doubtful accounts	$ 143.5	$ 169.1	$ (25.6)			
Inventory	284.4	264.7	19.7			
Income taxes payable	11.6	10.1	1.5			
Retained earnings	1,613.9	1,618.3	(4.4)			

On January 1, 2018, we adopted ASU 2017-07, "Retirement Benefits - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" (an amendment to ASC 715), to improve the presentation of net periodic pension and postretirement benefit costs. We retrospectively adopted the presentation of service cost separate from the other components of net periodic costs. The interest cost, expected return on assets, amortization of prior service costs, amortization of net actuarial losses and settlement costs have been reclassified from Cost of sales, Selling, general and administrative expenses and Other operating credits and charges to Non-operating income (expense). We elected to apply the practical expedient which allows us to reclassify amounts disclosed previously in the retirement benefits note as the basis for applying retrospective presentation for comparative periods as it is impracticable to determine the disaggregation of the cost components for amounts capitalized and amortized in those periods. On a prospective basis, the other components of net periodic benefit costs (excluding service cost) will not be included in amounts capitalized in inventory or property, plant, and equipment. In addition to the effects of ASU 2017-07, we have reclassified depreciation and amortization into the financial statement caption that reflects the category of the expense to be more comparable with our peers.

The effect of the retrospective presentation change related to the net periodic cost of our defined benefit pension and reclassification of depreciation and amortization on our Consolidated Statement of Income for the quarter and nine months ended September 30, 2017 is as follows:

	Quarter Ended September 30, 2017			
Dollar amounts in millions	As reported	ASU 2017-07	Reclassi-fications	As adjusted
Consolidated Statement of Income				
Cost of sales (exclusive of depreciation and amortization shown separately below)	$ 478.3	$ (1.0)	$ 30.4	$ 507.7
Depreciation and amortization	31.1	—	(31.1)	—
Selling, general and administrative expenses	49.2	(0.6)	0.7	49.3
Income from operations	159.9	1.6	—	161.5
Total non-operating income (expense)	(2.6)	(1.6)	—	(4.2)

Dollar amounts in millions	Nine Months Ended September 30, 2017			
	As reported	ASU 2017-07	Reclassi-fications	As adjusted
Consolidated Statement of Income				
Cost of sales (exclusive of depreciation and amortization shown separately below)	$ 1,416.3	$ (3.1)	89.1	$ 1,502.3
Depreciation and amortization	91.3	—	(91.3)	—
Selling, general and administrative expenses	144.8	(1.7)	2.2	145.3
Income from operations	368.2	4.8	—	373.0
Total non-operating income (expense)	(10.0)	(4.8)	—	(14.8)

On January 1, 2018, we adopted ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." The adoption of this standard requires the inclusion of the change in amounts described as restricted cash or restricted cash equivalents to be included as part of our Consolidated Statement of Cash Flows.

In accordance with disclosure requirements of this new accounting standard, the impact of adoption on our Consolidated Statement of Cash Flows for the quarter and nine months ended September 30, 2017 is as follows:

Dollar amounts in millions	Quarter Ended September 30, 2017		
	As reported	ASU 2016-18	As adjusted
Consolidated Statement of Cash Flows			
Net cash provided by (used in) investing activities	$ (34.8)	$ —	$ (34.8)
Effect of exchange rate on cash, cash equivalents and restricted cash	1.8	—	1.8
Net increase in cash, cash equivalents and restricted cash	108.7	—	108.7
Cash, cash equivalents and restricted cash at beginning of period	740.0	13.2	753.2
Cash, cash equivalents and restricted cash at end of period	848.7	13.2	861.9

Dollar amounts in millions	Nine Months Ended September 30, 2017		
	As reported	ASU 2016-18	As adjusted
Consolidated Statement of Cash Flows			
Net cash provided by (used in) investing activities	$ (109.3)	$ 0.2	$ (109.1)
Effect of exchange rate on cash, cash equivalents and restricted cash	1.9	(0.2)	1.7
Net increase in cash, cash equivalents and restricted cash	189.4	—	189.4
Cash, cash equivalents and restricted cash at beginning of period	659.3	13.2	672.5
Cash, cash equivalents and restricted cash at end of period	848.7	13.2	861.9

In March 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, "Leases (Topic 842)", which supersedes the lease accounting requirements in ASC Topic 840, "Leases". The new standard requires entities to recognize, separately from each other, an asset for its right to use (ROU) the underlying asset equal to the liability for its finance and operating lease obligations. Further, the entity is required to present separately the current and non-current portion of the ROU asset and corresponding lease liability. In July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases", which clarifies certain aspects of the new lease standard. The amendments in this ASU address the rate implicit in the lease, impairment of the net investment in the lease, lessee reassessment of lease classification, lessor reassessment of lease term and purchase options, variable payments that depend on an index or rate and certain transition adjustments, among other things. In July 2018, the FASB issued ASU 2018-11, "Leases (Topic 842)" Targeted Improvements, which provides an additional (and optional) transition method whereby the new lease standard is applied at the adoption date and recognized as an adjustment to retained earnings. The amendments have the same effective date and transition requirements as the new lease standard. We will adopt the standard on January 1, 2019 using this optional transition method. The adoption of the new standard will result in a significant increase to our balance sheet for lease liabilities and right-of-use assets. The extent of the increase to assets and liabilities associated with these amounts remains to be determined pending our completion of the review of existing lease contracts. We are in the process of implementing a new system, collecting data and designing processes and controls to account for our leases in accordance with the new standard.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement", which amends the fair value measurement disclosure requirements of ASC 820. The amended guidance modifies the disclosure requirements of assets and liabilities measured at fair value by removing and adding certain disclosures for these measurements. The eliminated disclosures include the valuation processes for Level 3 fair value measurements. Additional disclosures include the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted. The adoption of this guidance will modify our disclosures but will not have a material effect on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, "Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans", which amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The amended guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other post-retirement plans by removing and adding certain disclosures for these plans. The eliminated disclosures include (a) the amounts in accumulated Other Comprehensive Income (OCI) expected to be recognized in net periodic benefit costs over the next fiscal year, and (b) the effects of a one percentage point change in assumed health care cost trend rates on the net periodic benefit costs and the benefit obligation for post-retirement health care benefits. Additional disclosures include descriptions of significant gains and losses affecting the benefit obligation for the period. The amended guidance is effective for fiscal years ending after December 15, 2020. Early adoption is permitted. The adoption of this guidance will modify our disclosures but will not have a material effect on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract", which provides additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement that is a service contract. The amendments require an entity in such arrangements to account for implementation costs in the same manner as internal-use software as outlined in ASC 350. The amended guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the impact, that the adoption of this guidance will have on our financial statements and related disclosures.

NOTE 3 - REVENUE

Revenue is recognized when obligations under the terms of a contract (purchase orders) with our customers are satisfied; generally, this occurs with the transfer of control of our products. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. Shipping cost incurred by us to deliver products to our customers are recorded in cost of sales. The expected costs associated with our warranties continue to be recognized as expense when the products are sold. We recognize revenue as of a point in time.

Customer programs and incentives are a common practice in our businesses. Our businesses incur customer program costs to obtain favorable product placement, to promote sales of products and to maintain competitive pricing. Customer program costs and incentives, including rebates and promotion and volume allowances, are accounted for as deductions from net sales at the time the program is initiated. These reductions from revenue are recorded at the later of the time of sale or the implementation of the program based on management’s best estimates. Estimates are based on historical and projected experience for each type of program or customer. Volume allowances are accrued based on management’s estimates of customer volume achievement and other factors incorporated into customer agreements, such as new product purchases, store sell-through and merchandising support. Management periodically reviews accruals for these rebates and allowances, and adjusts accruals when circumstances indicate (typically as a result of a change in volume expectations). As of September 30, 2018 and December 31, 2017, we had $27.5 million and $24.2 million accrued as customer rebates recorded in Accounts payable and accrued liabilities on our Consolidated Balance Sheets.

We ship some of our products to customers' distribution centers on a consignment basis. We retain title to our products stored at the distribution centers. As our products are removed from the distribution centers by retailers and shipped to retailers’ stores, title passes from us to the retailers. At that time, we invoice the retailers and recognize revenue for these consignment transactions. We do not offer a right of return for products shipped to the retailers’ stores from the distribution centers. The amount of consignment inventory as of September 30, 2018 and December 31, 2017 was $18.2 million and $18.3 million.

The following tables disaggregate our revenue by product line and product type by segment for the quarter and nine months ended September 30, 2018:

Quarter Ended September 30, 2018

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 187.7	$ —	$ —	$ 3.4	$ —	$ —	$ 191.1
SmartSide® Fiber siding	30.4	—	—	—	—	—	30.4
CanExel® siding	7.0	—	—	—	—	—	7.0
OSB - commodity	13.3	196.5	1.0	—	—	—	210.8
OSB - value-add	0.4	150.9	3.5	30.4	—	—	185.2
LVL	—	—	35.7	—	—	—	35.7
LSL	—	—	18.1	—	—	—	18.1
I-joist	—	—	34.1	—	—	—	34.1
Plywood	—	—	7.7	—	—	—	7.7
Other	2.0	1.7	4.7	0.7	7.6	—	16.7
	$ 240.8	$ 349.1	$ 104.8	$ 34.5	$ 7.6	$ —	$ 736.8
By Product type:							
Commodity	$ 13.3	$ 196.5	$ 8.7	$ —	$ —	$ —	$ 218.5
Value-add	225.5	150.9	91.4	33.8	—	—	501.6
Other	2.0	1.7	4.7	0.7	7.6	—	16.7
	$ 240.8	$ 349.1	$ 104.8	$ 34.5	$ 7.6	$ —	$ 736.8

Nine Months Ended September 30, 2018

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 546.3	$ —	$ —	$ 17.1	$ —	$ —	$ 563.4
SmartSide® Fiber siding	84.2	—	—	—	—	—	84.2
CanExel® siding	33.4	—	—	—	—	—	33.4
OSB - commodity	34.4	608.5	9.0	—	—	—	651.9
OSB - value-add	22.0	435.4	11.4	102.5	—	—	571.3
LVL	—	—	112.7	—	—	—	112.7
LSL	—	—	48.8	—	—	—	48.8
I-joist	—	—	97.7	—	—	—	97.7
Plywood	—	—	23.3	—	—	—	23.3
Other	9.1	5.9	11.7	2.6	22.9	—	52.2
	$ 729.4	$ 1,049.8	$ 314.6	$ 122.2	$ 22.9	$ —	$ 2,238.9
By Product type:							
Commodity	$ 34.4	$ 608.5	$ 32.3	$ —	$ —	$ —	$ 675.2
Value-add	685.9	435.4	270.6	119.6	—	—	1,511.5
Other	9.1	5.9	11.7	2.6	22.9	—	52.2
	$ 729.4	$ 1,049.8	$ 314.6	$ 122.2	$ 22.9	$ —	$ 2,238.9

The following tables disaggregate our revenue by product line and product type by segment for the quarter and nine months ended September 30, 2017:

Quarter Ended September 30, 2017

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 161.6	$ —	$ —	$ 3.3	$ —	$ (1.7)	$ 163.2
SmartSide® Fiber siding	28.4	—	—	—	—	—	28.4
CanExel® siding	13.1	—	—	—	—	—	13.1
OSB - commodity	20.2	209.5	1.8	—	—	—	231.5
OSB - value-add	—	139.1	3.4	34.0	—	—	176.5
LVL	—	—	37.7	—	—	—	37.7
LSL	—	—	12.5	—	—	—	12.5
I-joist	—	—	32.0	—	—	—	32.0
Plywood	—	—	8.2	—	—	—	8.2
Other	2.9	2.3	2.5	1.0	6.5	—	15.2
	$ 226.2	$ 350.9	$ 98.1	$ 38.3	$ 6.5	$ (1.7)	$ 718.3
By Product type:							
Commodity	$ 20.2	$ 209.5	$ 10.0	$ —	$ —	$ —	$ 239.7
Value-add	203.1	139.1	85.6	37.3	—	(1.7)	463.4
Other	2.9	2.3	2.5	1.0	6.5	—	15.2
	$ 226.2	$ 350.9	$ 98.1	$ 38.3	$ 6.5	$ (1.7)	$ 718.3

Nine Months Ended September 30, 2017

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 482.0	$ —	$ —	$ 14.1	$ —	$ (3.5)	$ 492.6
SmartSide® Fiber siding	86.4	—	—	—	—	—	86.4
CanExel® siding	41.6	—	—	—	—	—	41.6
OSB - commodity	53.6	551.5	6.9	—	—	—	612.0
OSB - value-add	—	384.3	9.9	97.8	—	—	492.0
LVL	—	—	107.9	—	—	—	107.9
LSL	—	—	35.1	—	—	—	35.1
I-joist	—	—	88.1	—	—	—	88.1
Plywood	—	—	18.8	—	—	—	18.8
Other	7.6	8.5	7.7	2.9	22.3	(0.2)	48.8
	$ 671.2	$ 944.3	$ 274.4	$ 114.8	$ 22.3	$ (3.7)	$ 2,023.3
By Product type:							
Commodity	$ 53.6	$ 551.5	$ 25.7	$ —	$ —	$ —	$ 630.8
Value-add	610.0	384.3	241.0	111.9	—	(3.5)	1,343.7
Other	7.6	8.5	7.7	2.9	22.3	(0.2)	48.8
	$ 671.2	$ 944.3	$ 274.4	$ 114.8	$ 22.3	$ (3.7)	$ 2,023.3

NOTE 4 - STOCK-BASED COMPENSATION

We have a Management Incentive Plan (MIP) that is administered by the Compensation Committee of the Board of Directors. The Compensation Committee authorizes the grants of restricted stock (shares or units), performance share awards payable in stock based upon the attainment of specified performance goals and stock settled stock appreciation rights (SSARs). As of September 30, 2018, 2.9 million shares were available for grant under the 2013 Omnibus Plan.

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2018	2017	2018	2017
Total stock-based compensation expense (cost of sales, selling, general and administrative and other operating credits and charges, net)	$ 2.1	$ 2.0	$ 6.9	$ 8.0
Income tax provision related to stock-based compensation	(0.3)	0.2	(3.1)	0.5
Impact on cash flow due to taxes paid related to net share settlement of equity awards	1.5	0.5	9.3	5.3

At September 30, 2018, $13.7 million of compensation cost related to unvested performance shares, restricted stock and SSARs attributable to future service had not yet been recognized.

During the first nine months of 2018, we granted 159,054 performance units at an average grant date fair value of $29.31 per share and 321,048 restricted stock units at an average grant date fair value of $26.96 per share.

NOTE 5 – FAIR VALUE MEASUREMENTS

We estimated our Senior Notes due in 2024 to have a fair value of $350.2 million at September 30, 2018 and $363.9 million at December 31, 2017 based upon market quotations.

Carrying amounts reported on the balance sheet for cash and cash equivalents, accounts receivables, accounts payable and current portion of long-term debt approximate fair value due to the short-term maturity of these items.

NOTE 6 – EARNINGS PER SHARE

Basic earnings per share are based upon the weighted-average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted-average number of shares of common stock outstanding, plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. Our potentially dilutive securities consist of restricted stock, restricted stock units, performance share awards and SSARs.

	Quarter Ended September 30,		Nine Months Ended September 30,	
Share amounts in millions	2018	2017	2018	2017
Denominator for basic earnings per share:				
Weighted average common shares outstanding - basic	142.5	144.5	143.9	144.4
Effect of dilutive securities:				
Dilutive effect of employee stock plans	1.4	2.0	1.7	1.9
Denominator for diluted earnings per share:				
Weighted average shares outstanding - diluted	143.9	146.5	145.6	146.3

For the quarter and nine months ended September 30, 2018, there were no SSARs that were considered not in-the-money for purposes of our earnings per share calculation.

For the quarter and nine months ended September 30, 2017, SSARs relating to approximately 0.2 million shares of our common stock were considered not in-the-money for purposes of our earnings per share calculation.

NOTE 7 – RECEIVABLES

Receivables consist of the following:

Dollar amounts in millions	September 30, 2018	December 31, 2017
Trade receivables	$ 124.6	$ 124.6
Income tax receivable	2.3	2.2
Other receivables	17.4	16.6
Allowance for doubtful accounts	(0.8)	(0.9)
Total	$ 143.5	$ 142.5

Other receivables at September 30, 2018 and December 31, 2017 primarily consist of sales tax receivables, a receivable associated with an affiliate, receivables for tax credits and other miscellaneous receivables.

NOTE 8 – INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Inventory cost includes materials, labor and operating overhead. The major types of inventories are as follows (work in process is not material):

Dollar amounts in millions	September 30, 2018	December 31, 2017
Logs	$ 50.3	$ 60.3
Other raw materials	24.6	20.8
Semi-finished inventory	20.5	24.3
Finished products	189.0	153.7
Total	$ 284.4	$ 259.1

NOTE 9 - INVESTMENTS IN AND ADVANCES TO AFFILIATES

During the second quarter of 2018, we invested $45.0 million in Entekra Holdings, LLC (Entekra), a start-up design, engineering and manufacturing company that provides off-site framing for both residential and commercial construction. This investment is recorded as an equity investment based upon the joint control of Entekra’s operations. We own 81.8% of the A units and 55% of the B units of this operation. Our portion of the earnings and losses of Entekra is included in our Consolidated Statement of Income as Income (loss) from unconsolidated affiliate.

At September 30, 2018, we have an investment in a joint venture with Resolute Forest Products to operate jointly owned I-Joist facilities in Quebec. We are the exclusive distributor of the I-joists produced and sold by the joint venture and these operations are considered an integral part of our operations. Our portion of the earnings and losses of these operations are classified as a reduction in cost of sales.

NOTE 10 – INCOME TAXES

Accounting standards state that companies account for income taxes using the asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. This method also requires the recognition of future tax benefits, such as net operating loss carryforwards and other tax credits. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. Valuation allowances are recorded as necessary to reduce deferred tax assets to the amount thereof that is more likely than not to be realized. The likelihood of realizing deferred tax assets is evaluated by, among other things, estimating future taxable income, considering the future reversal of existing deferred tax liabilities to which the deferred tax assets may be applied and assessing the impact of tax planning strategies.

For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results unless this method does not result in a reliable estimate of year-to-date income tax expense. Each period, the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is adjusted to the current quarter. Changes in the profitability estimates in various jurisdictions will impact our quarterly effective income tax rates.

The Tax Act reduced the U.S. federal tax rate from 35% in 2017 to 21% in 2018 and eliminated the deduction for Domestic Production Activities. We estimate that these changes will result in a reduction of approximately 7% in our overall effective tax rate for 2018.

For the first nine months of 2018, the primary differences between the U.S. statutory rate of 21% and the 24% effective rate applicable to our income from continuing operations relate to state income tax, discretionary pension payments, foreign tax rates and tax deductions related to stock-based compensation. For the first nine months of 2017, the primary differences between the U.S. statutory rate of 35% and the 27% effective rate applicable to our continuing operations relate to foreign tax rates, changes in Canadian valuation allowances, and the deduction for U.S. Domestic Production Activities.

During the second quarter of 2017, we deposited $32.0 million with U.S. I.R.S. to suspend the running of interest on potential underpayments of disputable income tax amounts for the year 2016.

We periodically review the need for valuation allowances against deferred tax assets and recognize these deferred tax assets to the extent that the realization is more likely than not. As part of our review, we consider all positive and negative evidence, including earnings history, the future reversal of deferred tax liabilities, and the relevant expirations of carryforwards. We believe the valuation allowances provided are appropriate. If in future periods our earnings estimates differ from the estimates used to establish these valuation allowances, or other objective positive or negative evidence arises, we may be required to record an adjustment resulting in an impact on tax expense (benefit) for that period.

At the end of 2017, we recorded a provisional benefit of $18.4 million resulting from the reduction in the carrying value of our U.S. deferred tax liabilities to reflect the change in the U.S. corporate income tax rate from 35% to 21% under the Tax Act. During the first nine months of 2018, we revised our estimate of the amount of deferred taxes related to discretionary pension contributions, and recorded an additional benefit of $3.1 million as a discrete item in the second quarter.

Our accounting of other elements of the Tax Act is complete and there were no adjustments to the provisional amounts previously recorded.

NOTE 11 - OTHER OPERATING CREDITS AND CHARGES

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2018	2017	2018	2017
Reorganization charges	$ (0.9)	$ —	$ (4.7)	$ —
Adjustment to product-related warranty reserves	7.7	—	7.7	(5.4)
Refund of environmental costs	—	—	8.3	—
Refund of sales and use taxes	—	0.9	—	0.9
Expenses related to hurricane	(0.5)	—	(0.5)	—
Other	—	—	0.4	—
	$ 6.3	$ 0.9	$ 11.2	$ (4.5)

During the third quarter of 2018, we recorded a gain of $7.7 million related to the reduction in product-related warranty reserves associated with CanExel products sold in specific geographic locations and for a specific time period based upon reductions in claims activities. Additionally, we recorded $0.9 million in severance and other charges related to certain reorganizations and a loss of $0.5 million related to property damage sustained by our Wilmington facility during the recent hurricane.

During the first nine months of 2018 in addition to the above, we recorded a gain of $8.3 million related to the settlement of previously-paid environmental costs or the liability for future environmental costs to be paid by a third party associated with a non-operating site, $3.8 million in severance and other charges related to certain reorganizations within the corporate offices, including the costs associated with the retirement of our previous chief financial officer and a gain of $0.4 million related to a previously-settled claim associated with our hardboard siding.

During the third quarter of 2017, we recorded a refund of $0.9 million related to sales and use taxes.

During the first nine months of 2017 in addition to the above, we recorded an increase of $5.4 million related to product-related warranty reserves associated with CanExel products sold in specific geographic locations and for a specific time period based upon increases in claims activities.

NOTE 12 – LEGAL AND ENVIRONMENTAL MATTERS

Certain environmental matters and legal proceedings are discussed below.

Environmental Matters

We maintain a reserve for undiscounted estimated environmental loss contingencies. This reserve is primarily for estimated future costs of remediation of hazardous or toxic substances at numerous sites currently or previously owned by the Company. Our estimates of our environmental loss contingencies are based on various assumptions and judgments, the specific nature of which varies in light of the particular facts and circumstances surrounding each environmental loss contingency. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect assumptions and judgments as to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities. Due to the numerous uncertainties and variables associated with these assumptions and judgments, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time.

The activity in our reserve for estimated environmental loss contingency reserves for the quarter and nine months ended September 30, 2018 and 2017 is summarized in the following table.

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2018	2017	2018	2017
Beginning balance	$ 12.5	$ 15.7	$ 15.0	$ 15.9
Adjusted to expense	(0.8)	0.8	(1.6)	0.9
Payments made	(0.3)	(1.0)	(2.0)	(1.3)
Ending balance	$ 11.4	$ 15.5	$ 11.4	$ 15.5

Recorded in Other assets is $2.0 million related to a receivable for reimbursements of environmental costs associated with a non-operating site as of September 30, 2018.

Other Proceedings

We and our subsidiaries are parties to other legal proceedings. Based on the information currently available, management believes the resolution of such proceedings will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

NOTE 13 – SELECTED SEGMENT DATA

We operate in four segments: Siding, OSB, EWP and South America. Our business units have been aggregated into these four segments based upon the similarity of economic characteristics, customers and distribution methods. Our results of operations are summarized below for each of these segments separately as well as for the “other” category which comprises other products that are not individually significant. Segment information was prepared in accordance with the same accounting principles as those described in Note 1 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Dollar amounts in millions	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net sales				
Siding	$ 240.8	$ 226.2	$ 729.4	$ 671.2
OSB	349.1	350.9	1,049.8	944.3
EWP	104.8	98.1	314.6	274.4
South America	34.5	38.3	122.2	114.8
Other	7.6	6.5	22.9	22.3
Intersegment sales	—	(1.7)	—	(3.7)
	$ 736.8	$ 718.3	$ 2,238.9	$ 2,023.3
Operating profit (loss):				
Siding	$ 59.8	$ 53.3	$ 167.8	$ 142.9
OSB	114.8	126.8	369.6	290.6
EWP	8.5	6.5	19.9	12.6
South America	6.5	5.8	25.0	16.4
Other	(1.2)	(1.6)	(2.9)	(2.7)
Other operating credits and charges, net	6.3	0.9	11.2	(4.5)
Gain (loss) on sale or impairment of long-lived assets, net	(0.3)	(0.7)	0.3	1.8
General corporate and other expenses, net	(27.9)	(29.5)	(82.8)	(84.1)
Interest expense, net of capitalized interest	(3.9)	(4.9)	(12.7)	(14.8)
Investment income	5.5	2.9	13.5	7.2
Other non-operating items	(2.2)	(2.2)	(4.3)	(7.2)
Income from continuing operations before taxes	165.9	157.3	504.6	358.2
Provision for income taxes	41.8	46.4	122.7	97.9
Income from continuing operations	$ 124.1	$ 110.9	$ 381.9	$ 260.3

NOTE 14 – POTENTIAL IMPAIRMENTS

We continue to review certain operations and investments for potential impairments. We currently believe we have adequate support for the carrying value of each of these operations and investments based upon the anticipated cash flows that result from estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, its strategic plan and other relevant circumstances. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

NOTE 15 – PRODUCT WARRANTY

We provide warranties on the sale of most of our products and record an accrual for estimated future claims. Such accruals are based upon historical experience and management’s estimate of the level of future claims. The activity in warranty reserves for the quarter and nine months ended September 30, 2018 and 2017 are summarized in the following table:

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2018	2017	2018	2017
Beginning balance	$ 22.8	$ 25.3	$ 24.7	$ 24.1
Accrued to expense	0.2	0.2	0.8	0.6
Accrued (reduced) to other operating credits and charges	(7.7)	—	(7.7)	5.4
Accrued to discontinued operations	—	1.5	—	1.5
Foreign currency translation	(0.1)	0.6	(0.5)	2.0
Payments made	(0.8)	(1.6)	(2.9)	(7.6)
Total warranty reserves	14.4	26.0	14.4	26.0
Current portion of warranty reserves	(4.0)	(9.0)	(4.0)	(9.0)
Long-term portion of warranty reserves	$ 10.4	$ 17.0	$ 10.4	$ 17.0

We continue to monitor warranty and other claims associated with these products and believe as of September 30, 2018 that the reserves associated with these matters are adequate. However, it is possible that additional changes may be required in the future.

The current portion of the warranty reserve is included in the caption “Accounts payable and accrued liabilities” and the long-term portion is included in Other long-term liabilities on our Consolidated Balance Sheets.

NOTE 16 - OTHER COMPREHENSIVE INCOME

Other comprehensive income activity, net of tax, is provided in the following table for the quarter and nine months ended September 30, 2018:

		Pension Adjustments				
Dollar amounts in millions	Foreign currency translation adjustments	Actuarial losses	Prior service costs	Unrealized gain (loss) on investments	Other	Total
Balance at June 30, 2018	$ (51.2)	$ (94.3)	$ (4.7)	$ 4.3	$ (1.4)	$ (147.3)
Other comprehensive income (loss) before reclassifications	(2.0)	(0.1)	—	0.2	—	(1.9)
Income taxes	—	—	—	—	—	—
Net other comprehensive income (loss) before reclassifications	(2.0)	(0.1)	—	0.2	—	(1.9)
Amounts reclassified from accumulated comprehensive income (loss)	—	1.5	0.1	—	—	1.6
Income taxes	—	(0.4)	—	—	—	(0.4)
Net amounts reclassified from cumulative other comprehensive income (loss)	—	1.1	0.1	—	—	1.2
Total other comprehensive income (loss)	(2.0)	1.0	0.1	0.2	—	(0.7)
Balance at September 30, 2018	$ (53.2)	$ (93.3)	$ (4.6)	$ 4.5	$ (1.4)	$ (148.0)

Dollar amounts in millions	Foreign currency translation adjustments	Pension Adjustments: Actuarial losses	Pension Adjustments: Prior service costs	Unrealized gain (loss) on investments	Other	Total
Balance at December 31, 2017	$ (39.7)	$ (79.5)	$ (4.9)	$ 3.5	$ (1.5)	$ (122.1)
Effect of adoption of ASU 2018-02	—	(17.4)	—	0.7	—	(16.7)
Other comprehensive income (loss) before reclassifications	(13.5)	0.2	—	0.4	—	(12.9)
Income taxes	—	—	—	(0.1)	—	(0.1)
Net other comprehensive income (loss) before reclassifications	(13.5)	0.2	—	0.3	—	(13.0)
Amounts reclassified from accumulated comprehensive income (loss)	—	4.6	0.4	—	0.1	5.1
Income taxes	—	(1.2)	(0.1)	—	—	(1.3)
Net amounts reclassified from cumulative other comprehensive income (loss)	—	3.4	0.3	—	0.1	3.8
Total other comprehensive income (loss)	(13.5)	3.6	0.3	0.3	0.1	(9.2)
Balance at September 30, 2018	$ (53.2)	$ (93.3)	$ (4.6)	$ 4.5	$ (1.4)	$ (148.0)

Other comprehensive income activity, net of tax, is provided in the following table for the quarter and nine months ended September 30, 2017:

Dollar amounts in millions	Foreign currency translation adjustments	Pension Adjustments: Actuarial losses	Pension Adjustments: Prior service costs	Unrealized gain (loss) on investments	Other	Total
Balance at June 30, 2017	$ (52.0)	$ (86.4)	$ (4.8)	$ 3.1	$ (0.7)	$ (140.8)
Other comprehensive income (loss) before reclassifications	10.4	(0.4)	—	0.7	(0.2)	10.5
Income taxes	—	—	—	(0.3)	—	(0.3)
Net other comprehensive income (loss) before reclassifications	10.4	(0.4)	—	0.4	(0.2)	10.2
Amounts reclassified from accumulated other comprehensive income (loss)	—	1.4	0.3	—	0.1	1.8
Income taxes	—	(0.5)	(0.1)	—	—	(0.6)
Net amounts reclassified from cumulative other comprehensive income (loss)	—	0.9	0.2	—	0.1	1.2
Total other comprehensive income (loss)	10.4	0.5	0.2	0.4	(0.1)	11.4
Balance at September 30, 2017	$ (41.6)	$ (85.9)	$ (4.6)	$ 3.5	$ (0.8)	$ (129.4)

Dollar amounts in millions	Foreign currency translation adjustments	Pension Adjustments: Actuarial losses	Pension Adjustments: Prior service costs	Unrealized gain (loss) on investments	Other	Total
Balance at December 31, 2016	$ (46.3)	$ (87.7)	$ (5.2)	$ 2.7	$ (0.7)	$ (137.2)
Other comprehensive income (loss) before reclassifications	4.7	(0.8)	—	1.3	(0.2)	5.0
Income taxes	—	—	—	(0.5)	—	(0.5)
Net other comprehensive income (loss) before reclassifications	4.7	(0.8)	—	0.8	(0.2)	4.5
Amounts reclassified from accumulated other comprehensive income (loss)	—	4.2	0.9	—	0.1	5.2
Income taxes	—	(1.6)	(0.3)	—	—	(1.9)
Net amounts reclassified from cumulative other comprehensive income (loss)	—	2.6	0.6	—	0.1	3.3
Total other comprehensive income (loss)	4.7	1.8	0.6	0.8	(0.1)	7.8
Balance at September 30, 2017	$ (41.6)	$ (85.9)	$ (4.6)	$ 3.5	$ (0.8)	$ (129.4)

The amounts reclassified from accumulated other comprehensive income (loss) are included in the computation of net periodic pension cost; see Note 17 for additional details. The net periodic pension cost is included in Cost of sales, Selling, general and administrative expenses and Other non-operating items in the Consolidated Statements of Income.

During the first nine months of 2018, the strengthening of the U.S. dollar as compared to the functional currencies of our South American operations resulted in LP recording a loss on foreign currency adjustment in other comprehensive income of $13.5 million. During the first nine months of 2018, the Brazilian real weakened 18% and the Chilean peso weakened 6% as compared to the U.S. dollar.

NOTE 17 – DEFINED BENEFIT PENSION PLANS

The following table sets forth the net periodic pension cost for our defined benefit pension and postretirement plans during the quarter and nine months ended September 30, 2018 and 2017. In accordance with ASU 2017-07, "Retirement Benefits - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" (an amendment to ASC 715), all non-service related costs associated with our pension and post retirement plans are recorded outside of operating income. The net periodic pension cost included the following components:

Dollar amounts in millions	Quarter Ended September 30, 2018	Quarter Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Service cost	$ 1.2	$ 1.4	$ 3.4	$ 4.1
Other components of net periodic pension cost:				
Interest cost	2.9	3.3	8.6	9.7
Expected return on plan assets	(3.3)	(3.3)	(10.1)	(9.8)
Amortization of prior service cost [1]	0.1	0.2	0.3	0.6
Amortization of net loss [1]	1.5	1.4	4.7	4.2
Net periodic pension cost	$ 2.4	$ 3.0	$ 6.9	$ 8.8
Net periodic pension cost included in cost of sales	$ 0.8	$ 0.9	$ 2.1	$ 2.7
Net periodic pension cost included in selling, general, and administrative expenses	0.4	0.5	1.3	1.4
Net periodic pension cost included in other non-operating items	1.2	1.6	3.5	4.7
	$ 2.4	$ 3.0	$ 6.9	$ 8.8

[1]The amortization of prior service costs and net loss are included in the amounts reclassified from accumulated other comprehensive income (loss). See Note 16 for additional details.

During the nine months ended September 30, 2018, we made $40.9 million in pension contributions to our defined benefit pension plans, which included a discretionary payment of $33.2 million to maximize the tax savings allowed under the Tax Cuts and Jobs Act and to lower our expenses associated with pension funding regulations going forward. We expect to contribute about $3.0 million to our defined benefit pension plans in the remaining months of 2018.

NOTE 18 - DISCONTINUED OPERATIONS

LP has adopted and implemented plans to sell selected businesses and assets in order to improve its operating results. For all periods presented, these operations include residual losses of mills divested in past years and associated warranty and other liabilities associated with these operations.

Included in the operating losses of discontinued operations for the nine months ended September 30, 2018 is an increase in reserves associated with our discontinued composite decking products of $5.0 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

LP is a leading building products solutions company that manufactures sustainable, quality engineered wood building materials including siding, oriented strand board and engineered wood products. Our products are used primarily in new home construction, repair and remodeling, and outdoor structures. We also market and sell our products in light industrial and commercial construction and we have a modest export business. Our manufacturing facilities are primarily located in the U.S. and Canada, but we also operate two facilities in Chile and one facility in Brazil.

To serve these markets, we operate in four segments: Siding; North America Oriented Strand Board (OSB); Engineered Wood Products (EWP); and South America.

Demand for our products correlates to a significant degree to the level of new home construction activity in North America, which historically has been characterized by significant cyclicality. The U.S. Department of Census reported that U.S. single and multi-family housing starts were 4% higher than for the third quarter and 7% higher for the first nine months of 2018 as compared to the same periods of 2017.

OSB is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our OSB products will remain at current levels or increase or decrease in the future. OSB prices (NC 7/16"), as reported by Random Lengths, were 8% lower for the third quarter and 13% higher for the first nine months of 2018 compared to the same periods in 2017.

For additional factors affecting our results, refer to the Management Discussion and Analysis of Financial Condition and Results of Operations overview contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and to “About Forward-Looking Statements” and “Risk Factors” in this report.

EXECUTIVE SUMMARY

We recorded a 3% increase in sales to $736.8 million for the quarter ended September 30, 2018 from $718.3 million reported for the quarter ended September 30, 2017. We recorded income from continuing operations of $124.1 million for the quarter ended September 30, 2018 compared to $110.9 million for the quarter ended September 30, 2017. We recorded net income of $124.0 million ($0.86 per diluted share) for the quarter ended September 30, 2018 compared to $109.8 million ($0.75 per diluted share) for the quarter ended September 30, 2017. We reported a decrease of $1.0 million in Adjusted EBITDA from continuing operations for the third quarter of 2018 as compared to the third quarter of 2017. Declines in OSB pricing in all North American operations had a negative impact on our operating results of $5.0 million for the quarter ended September 30, 2018 as compared to the quarter ended September 30, 2017.

We recorded an 11% increase in sales to $2.2 billion for the nine months ended September 30, 2018 from $2.0 billion reported for the nine months ended September 30, 2017. We recorded income from continuing operations of $381.9 million for the nine months ended September 30, 2018 compared to $260.3 million for the nine months ended September 30, 2017. We recorded net income of $377.6 million ($2.59 per diluted share) for the nine months ended September 30, 2018 compared to $259.2 million ($1.77 per diluted share) for the nine months ended September 30, 2017. We reported an increase of $119.8 million in Adjusted EBITDA from continuing operations for the nine months ended of 2018 as compared to the first nine months of 2017. Improvements in OSB pricing in all North American operations had a positive impact on our operating results of $128.3 million for the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017.

These changes are discussed further in "Our Operating Results" below.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

Presented in Note 1 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017 is a discussion of our significant accounting policies and significant accounting estimates and judgments. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates. For 2018, these significant accounting estimates and judgments include:

Long-lived Assets

Long-lived assets (including amortizable identifiable intangible assets) or asset group held for use is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. When such events occur, we compare the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group to the carrying amount of a long-lived asset or asset group. The cash flows are based on our best estimate of future cash flows derived from the most recent business projections. If this comparison indicates that there is an impairment, the amount of the impairment is calculated based on fair value. Fair value is estimated primarily using discounted expected future cash flows on a market-participant basis.

Defined Benefit Plans

We have a number of pension plans in the U.S. and Canada, covering many of the Company's employees. Benefit accruals under our defined benefit pension plan in the U.S. were frozen as of January 1, 2010.

We account for the consequences of our sponsorship of these plans based upon assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. Net actuarial gains and losses occur when actual experience differs from any of the assumptions used to value defined benefit plans or when assumptions change as they may each year. The primary factors contributing to actuarial gains and losses are changes in the discount rate used to value obligations as of the measurement date and the differences between expected and actual returns on pension plan assets. This accounting method results in the potential for volatile and difficult to forecast gains and losses.

We record amounts relating to these defined benefit plans based on various actuarial assumptions, including discount rates, assumed rates of return, compensation increases and life expectancy. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current economic conditions and trends. We believe that the assumptions utilized in recording our obligations under our plans are reasonable based on our experience and on advice from our independent actuaries; however, differences in actual experience or changes in the assumptions may materially affect our financial condition or results of operations.

Income Taxes

We establish deferred tax liabilities or assets for temporary differences between financial and tax reporting bases and subsequently adjust them to reflect changes in tax rates expected to be in effect when the temporary differences reverse. We record a valuation allowance reducing deferred tax assets when it is more likely than not that such assets will not be realized.

We record liabilities for uncertain income tax positions based on a two-step process. The first step is recognition, where we evaluate whether an individual tax position has a likelihood of greater than 50% of being sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation processes. For tax positions that are currently estimated to have a less than 50% likelihood of being sustained, no tax benefit is recorded. For tax positions that have met the recognition threshold in the first step, we perform the second step of measuring the benefit (expense) to be recorded. The actual benefits (expense) ultimately realized may differ from our estimates. In future periods, changes in facts, circumstances, and new information may require us to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in the consolidated statement of income and consolidated balance sheet in the period in which such changes occur. As of September 30, 2018 and December 31, 2017, we had liabilities for unrecognized tax benefits (including interest) pertaining to uncertain tax positions totaling $43.0 million and $42.3 million.

Customer Program Costs

Customer programs and incentives are a common practice in our businesses. Our businesses incur customer program costs to obtain favorable product placement, to promote sales of products and to maintain competitive pricing. Customer program costs and incentives, including rebates and promotion and volume allowances, are accounted for in either sales or the category selling and administrative expenses at the time the program is initiated and/or the revenue is recognized. The costs are predominantly recognized in sales and include, but are not limited to, volume allowances and rebates, promotional allowances, and cooperative advertising programs. These costs are recorded at the later of the time of sale or the implementation of the program based on management's best estimates. Estimates are based on historical and projected experience for each type of program or customer. Volume allowances are accrued based on management's estimates of customer volume achievement and other factors incorporated into customer agreements, such as new products, store sell-through, merchandising support and customer training. Management periodically reviews accruals for these rebates and allowances, and adjusts accruals when circumstances indicate (typically as a result of a change in volume expectations). As of September 30, 2018 and December 31, 2017, we had $27.5 million and $24.2 million accrued as customer rebates.

NON-GAAP FINANCIAL MEASURES

In evaluating our business, we utilize several non-GAAP financial measures. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included under applicable GAAP guidance. In this report, we disclose segment earnings (loss) from continuing operations before interest expense, taxes, depreciation and amortization (EBITDA from continuing operations) which is a non-GAAP financial measure. Additionally, we disclose Adjusted segment EBITDA from continuing operations (Adjusted EBITDA from continuing operations) which further adjusts EBITDA from continuing operations to exclude stock-based compensation expense, (gain) loss on sales or impairment of long-lived assets, other operating credits and charges, net, investment income and other non-operating items. We also disclose adjusted income from continuing operations which excludes (gain) loss on sale or impairment of long-lived assets, other operating credits and charges, net and adjusts for a normalized tax rate. Neither EBITDA from continuing operations, Adjusted EBITDA from continuing operations nor adjusted income from continuing operations are a substitute for the GAAP measure of net income or for any other GAAP measures of operating performance.

We have included EBITDA from continuing operations and Adjusted EBITDA from continuing operations in this report because we use them as important supplemental measures of our performance and believe they are frequently used by securities analysts, investors and other interested persons in the evaluation of companies in our industry, some of which present EBITDA when reporting their results. We use EBITDA from continuing operations and Adjusted EBITDA from continuing operations to evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates. It should be noted companies calculate EBITDA and Adjusted EBITDA differently and, therefore, our EBITDA and Adjusted EBITDA measures may not be comparable to EBITDA and Adjusted EBITDA reported by other companies. Our EBITDA and Adjusted EBITDA measures have material limitations as performance measures because they exclude interest expense, income tax expense and depreciation and amortization which are necessary to operate our business or which we otherwise incur or experience in connection with the operation of our business.

We believe adjusted income from continuing operations, which excludes (gain) loss on sale or impairment of long-lived assets and other operating credits and charges, net, adjusted for a normalized tax rate is a useful measure for evaluating our ability to generate earnings and that providing this measure will allow investors to more readily compare the earnings for past and future periods. It should be noted that other companies may present similarly-titled measures differently and, therefore, as presented by us may not be comparable to similarly-titled measures reported by other companies. In addition, adjusted income from continuing operations has material limitations as a performance measure because it excludes items that are actually incurred or experienced in connection with the operations of our business.

The following table represents significant items by operating segment and reconciles earnings results to EBITDA from continuing operations and Adjusted EBITDA from continuing operations:

Quarter Ended September 30, 2018 (Dollar amounts in millions)	Siding	OSB	EWP	South America	Other	Corporate	Total
Net income (loss)	$ 59.8	$114.8	$ 8.5	$ 6.5	$ (1.3)	$ (64.3)	$124.0
Loss from discontinued operations before taxes	—	—	—	—	0.1	—	0.1
Benefit for income taxes	—	—	—	—	—	—	—
Income (loss) from continuing operations	59.8	114.8	8.5	6.5	(1.2)	(64.3)	124.1
Provision for income taxes	—	—	—	—	—	41.8	41.8
Interest expense, net of capitalized interest	—	—	—	—	—	3.9	3.9
Depreciation and amortization	8.2	15.5	3.8	2.1	0.4	0.7	30.7
EBITDA from continuing operations	68.0	130.3	12.3	8.6	(0.8)	(17.9)	200.5
Stock-based compensation expense	0.3	0.2	0.1	—	—	1.5	2.1
Loss on sale or impairment of long-lived assets, net	—	—	—	—	—	0.3	0.3
Investment income	—	—	—	—	—	(5.4)	(5.4)
Other operating credits and charges, net	—	—	—	—	—	(6.3)	(6.3)
Other non-operating items	—	—	—	—	—	2.2	2.2
Adjusted EBITDA from continuing operations	$ 68.3	$130.5	$ 12.4	$ 8.6	$ (0.8)	$ (25.6)	$193.4
Adjusted EBITDA Margin	28%	37%	12%	25%	(11)%	NA	26%

Quarter Ended September 30, 2017 (Dollar amounts in millions)	Siding	OSB	EWP	South America	Other	Corporate	Total
Net income (loss)	$ 53.3	$126.8	$ 6.5	$ 5.8	$ (2.7)	$ (79.9)	$109.8
Loss from discontinued operations	—	—	—	—	1.7	—	1.7
Benefit for income taxes	—	—	—	—	(0.6)	—	(0.6)
Income (loss) from continuing operations	53.3	126.8	6.5	5.8	(1.6)	(79.9)	110.9
Provision for income taxes	—	—	—	—	—	46.4	46.4
Interest expense, net of capitalized interest	—	—	—	—	—	4.9	4.9
Depreciation and amortization	8.1	15.2	4.0	2.4	0.7	0.7	31.1
EBITDA from continuing operations	61.4	142.0	10.5	8.2	(0.9)	(27.9)	193.3
Stock-based compensation expense	0.2	0.2	0.1	—	—	1.5	2.0
Gain on sale or impairment of long-lived assets, net	—	—	—	—	—	0.7	0.7
Investment income	—	—	—	—	—	(2.9)	(2.9)
Other operating credits and charges, net	—	—	—	—	—	(0.9)	(0.9)
Other non-operating items	—	—	—	—	—	2.2	2.2
Adjusted EBITDA from continuing operations	$ 61.6	$142.2	$ 10.6	$ 8.2	$ (0.9)	$ (27.3)	$194.4
Adjusted EBITDA Margin	27%	41%	11%	21%	(14)%	NA	27%

Nine Months Ended September 30, 2018 (Dollar amounts in millions)	Siding	OSB	EWP	South America	Other	Corporate	Total
Net income (loss)	$ 167.8	$369.6	$ 19.9	$ 25.0	$ (7.2)	$ (197.5)	$377.6
Loss from discontinued operations	—	—	—	—	5.7	—	5.7
Benefit for income taxes	—	—	—	—	(1.4)	—	(1.4)
Income (loss) from continuing operations	167.8	369.6	19.9	25.0	(2.9)	(197.5)	381.9
Provision for income taxes	—	—	—	—	—	122.7	122.7
Interest expense, net of capitalized interest	—	—	—	—	—	12.7	12.7
Depreciation and amortization	24.8	43.8	12.5	6.7	1.6	2.4	91.8
EBITDA from continuing operations	192.6	413.4	32.4	31.7	(1.3)	(59.7)	609.1
Stock-based compensation expense	0.8	0.7	0.3	—	—	4.6	6.4
Gain on sale or impairment of long-lived assets, net	—	—	—	—	—	(0.3)	(0.3)
Investment income	—	—	—	—	—	(13.5)	(13.5)
Other operating credits and charges, net	—	—	—	—	—	(11.2)	(11.2)
Other non-operating items	—	—	—	—	—	4.3	4.3
Adjusted EBITDA from continuing operations	$ 193.4	$414.1	$ 32.7	$ 31.7	$ (1.3)	$ (75.8)	$594.8
Adjusted EBITDA Margin	27%	39%	10%	26%	(6)%	NA	27%

Nine Months Ended September 30, 2017 (Dollar amounts in millions)	Siding	OSB	EWP	South America	Other	Corporate	Total
Net income (loss)	$ 142.9	$290.6	$ 12.6	$ 16.4	$ (3.8)	$ (199.5)	$259.2
Loss from discontinued operations	—	—	—	—	1.7	—	1.7
Benefit for incomes taxes	—	—	—	—	(0.6)	—	(0.6)
Income (loss) from continuing operations	142.9	290.6	12.6	16.4	(2.7)	(199.5)	260.3
Provision for income taxes	—	—	—	—	—	97.9	97.9
Interest expense, net of capitalized interest	—	—	—	—	—	14.8	14.8
Depreciation and amortization	23.7	44.8	11.6	6.8	2.1	2.3	91.3
EBITDA from continuing operations	166.6	335.4	24.2	23.2	(0.6)	(84.5)	464.3
Stock-based compensation expense	0.6	0.6	0.2	—	—	6.6	8.0
Gain on sale or impairment of long-lived assets, net	—	—	—	—	—	(1.8)	(1.8)
Investment income	—	—	—	—	—	(7.2)	(7.2)
Other operating credits and charges, net	—	—	—	—	—	4.5	4.5
Other non-operating items	—	—	—	—	—	7.2	7.2
Adjusted EBITDA from continuing operations	$ 167.2	$336.0	$ 24.4	$ 23.2	$ (0.6)	$ (75.2)	$475.0
Adjusted EBITDA Margin	25%	36%	9%	20%	(3)%	NA	23%

The following table provides the reconciliation of net income to adjusted income from continuing operations:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	**$ 124.0**	**$ 109.8**	**$ 377.6**	**$ 259.2**
Add (deduct):				
Loss from discontinued operations	0.1	1.1	4.3	1.1
(Gain) loss on sale or impairment of long-lived assets, net	0.3	0.7	(0.3)	(1.8)
Other operating credits and charges, net	(6.3)	(0.9)	(11.2)	4.5
Reported tax provision	41.8	46.4	122.7	97.9
Normalized tax provision at 25% for 2018 and 35% for 2017	(40.0)	(55.0)	(123.3)	(126.3)
Adjusted income from continuing operations	**$ 119.9**	**$ 102.1**	**$ 369.8**	**$ 234.6**
Diluted shares outstanding	143.9	146.5	145.6	146.3
Adjusted income from continuing operations per diluted share	**$ 0.83**	**$ 0.70**	**$ 2.54**	**$ 1.60**

OUR OPERATING RESULTS

Our results of operations for each of our segments are discussed below, as are results of operations for the “other” category which comprises other products that are not individually significant. See Note 13 of the Notes to the consolidated financial statements included in item 1 of this report for further information regarding our segments.

SIDING

Our siding segment manufactures and markets wood-based siding (strand and fiber based) and related accessories and OSB products.

Segment sales, operating income and Adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Net sales	$ 240.8	$ 226.2	6%	$ 729.4	$ 671.2	9%
Operating income	$ 59.8	$ 53.3	12%	$ 167.8	$ 142.9	17%
Adjusted EBITDA from continuing operations	$ 68.3	$ 61.6	11%	$ 193.4	$ 167.2	16%
Adjusted EBITDA margin	28%	27%		27%	25%	

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
SmartSide® strand siding	$ 187.7	$ 161.6	16 %	$ 546.3	$ 482.0	13 %
SmartSide® fiber siding	30.4	28.4	7 %	84.2	86.4	(3)%
CanExel siding	7.0	13.1	(47)%	33.4	41.6	(20)%
OSB - commodity	13.3	20.2	(34)%	34.4	53.6	(36)%
OSB - value add	0.4	—	100 %	22.0	—	100 %
Other	2.0	2.9	(31)%	9.1	7.6	20 %
Total	$ 240.8	$ 226.2	6 %	$ 729.4	$ 671.2	9 %

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2018 compared to the quarter and nine months ended September 30, 2017 are as follows:

	Quarter Ended September 30, 2018 versus 2017		Nine Months Ended September 30, 2018 versus 2017	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
SmartSide® strand siding	5 %	10 %	5%	8 %
SmartSide® fiber siding	11 %	(5)%	9%	(11)%
CanExel siding	(5)%	(42)%	4%	(22)%
OSB	(11)%	(24)%	16%	(10)%

For the quarter and nine months ended September 30, 2018 compared to the corresponding periods in 2017, sales volumes increased in our SmartSide strand product line due to increased market penetration in key markets. Sales prices in our SmartSide strand product line for the quarter and nine months ended September 30, 2018 as compared to the corresponding periods in 2017 were higher due to price increases which were implemented in the first quarter of 2018 and the second quarter of 2017.

For the quarter and nine months ended September 30, 2018 compared to the corresponding periods in 2017, sales volumes declined in our SmartSide fiber product line due to our decision to raise prices which slowed demand. Sales prices in our SmartSide fiber product line for the quarter and nine months ended September 30, 2018 as compared to the corresponding periods in 2017 were higher due to a price increase implemented in the first quarter of 2018.

For CanExel, sales volumes decreased in the third quarter and first nine months of 2018 as compared to the corresponding periods in 2017 due to decreased demand in Canada due to customers re-balancing their inventories. Sales prices changed for the third quarter and first nine months of 2018 as compared to the corresponding periods in 2017 due to changes in our product mix and the fluctuations in the U.S. to Canadian dollar as a majority of these sales are denominated in Canadian dollars.

For our OSB produced in the siding segment for the quarter and nine months ended September 30, 2018 compared to the corresponding periods in 2017, sales prices changed, as discussed in the OSB segment below. Sales volumes were lower for the quarter and nine months ended September 30, 2018 compared to the corresponding periods in 2017 due to logistics challenges. We estimated Adjusted EBITDA from continuing operations associated with OSB produced and sold in the siding segment for the quarter and nine months ended September 30, 2018 was $4.5 million and $19.6 million as compared to the comparable periods in 2017 of $8.5 million and $14.9 million.

Overall, the improvement in the siding segment for the third quarter and first nine months of 2018 compared to the same periods of 2017 was due to higher pricing and volume on our SmartSide strand products which were partially offset by increases in raw materials, primarily resin, expenses associated with the Dawson Creek conversion project, logistic challenges resulting in higher freight and lower throughput, principally at our Dawson Creek mill and increases in sales and marketing expenses.

OSB

Our OSB segment manufactures and distributes OSB structural panel products in North America and certain export markets.

Segment sales, operating income and Adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Net sales	$ 349.1	$ 350.9	(1)%	$ 1,049.8	$ 944.3	11%
Operating income	$ 114.8	$ 126.8	(9)%	$ 369.6	$ 290.6	27%
Adjusted EBITDA from continuing operations	$ 130.5	$ 142.2	(8)%	$ 414.1	$ 336.0	23%
Adjusted EBITDA Margin	37%	41%		39%	36%	

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
OSB - commodity	$ 196.5	$ 209.5	(6)%	$ 608.5	$ 551.5	10 %
OSB - value add	150.9	139.1	8 %	435.4	384.3	13 %
Other	1.7	2.3	(26)%	5.9	8.5	(31)%
Total	$ 349.1	$ 350.9	(1)%	$ 1,049.8	$ 944.3	11 %

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2018 compared to the quarter and nine months ended September 30, 2017 are as follows:

	Quarter Ended September 30, 2018 versus 2017		Nine Months Ended September 30, 2018 versus 2017	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB - commodity	(4)%	(4)%	12%	(2)%
OSB - value-add	3 %	8 %	13%	1 %

For the quarter ended September 30, 2018, OSB prices decreased compared to the corresponding period in 2017 and increased for the nine months ended September 30, 2018 compared to the corresponding periods in 2017 likely due to the overall demand compared to the supply available in the market.

Sales volumes for the quarter ended and nine months ended September 30, 2018 are higher in value-add and lower in commodity compared to the corresponding periods of 2017 due to our continued expansion of our value added footprint.

The decrease in selling price negatively impacted operating results and Adjusted EBITDA from continuing operations by $3.8 million for the quarter ended September 30, 2018 as compared to the same period in 2017. The increase in selling price positively impacted operating results and Adjusted EBITDA by $117.4 million for the nine months ended September 30, 2018 as compared to the same period in 2017.

Overall the decline in our OSB segment results for the quarter ended September 30, 2018 as compared to the same period in 2017 was due to decreased sales prices and increases in raw material costs (primarily resin). Overall, the improvements in our OSB segment results for nine months ended September 30, 2018 as compared to the same period in 2017 was due to increased sales prices partially offset by increases in raw material costs (primarily resin) and increases in manufacturing costs due to downtime related to logistics associated with our Western Canadian operations and maintenance capital improvements.

EWP

Our EWP segment manufactures and distributes laminated veneer lumber (LVL), I-Joists, laminated strand lumber (LSL) and other related products. This segment also includes the sale of I-Joist and LVL products produced by our joint venture with Resolute Forest Products and LVL sold under a contract manufacturing relationship. A plywood mill associated with our LVL operations in British Columbia and minor amounts of OSB are included in this segment.

Segment sales, operating results and Adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Net sales	$ 104.8	$ 98.1	7%	$ 314.6	$ 274.4	15%
Operating income	$ 8.5	$ 6.5	31%	$ 19.9	$ 12.6	58%
Adjusted EBITDA from continuing operations	$ 12.4	$ 10.6	17%	$ 32.7	$ 24.4	34%
Adjusted EBITDA margin	12%	11%		10%	9%	

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
LVL	$ 35.7	$ 37.7	(5)%	$ 112.7	$ 107.9	4%
LSL	18.1	12.5	45 %	48.8	35.1	39%
I-Joist	34.1	32.0	7 %	97.7	88.1	11%
OSB - commodity	1.0	1.8	(44)%	9.0	6.9	30%
OSB - value add	3.5	3.4	3 %	11.4	9.9	15%
Plywood	7.7	8.2	(6)%	23.3	18.8	24%
Other	4.7	2.5	88 %	11.7	7.7	52%
Total	$ 104.8	$ 98.1	7 %	$ 314.6	$ 274.4	15%

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2018 compared to the quarter and nine months ended September 30, 2017 are as follows:

	Quarter Ended September 30, 2018 versus 2017		Nine Months Ended September 30, 2018 versus 2017	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
LVL	9 %	(10)%	9%	(3)%
LSL	13 %	30 %	10%	28 %
I-Joist	5 %	4 %	8%	5 %
OSB	13 %	(24)%	17%	5 %
Plywood	(10)%	5 %	12%	11 %

For the quarter ended September 30, 2018 compared to the same period in 2017, sales volumes decreased in LVL in response to our price increases and certain regional market weakness. For the quarter and nine months ended September 30, 2018 compared to the same periods in 2017, sales volumes increased in LSL and I-Joist due to continued penetration into new applications. Net average selling prices increased due to price increases implemented across all product lines, except plywood. The changes in selling prices for OSB and plywood impacted operating results and Adjusted EBITDA from continuing operations positively by $0.5 million for OSB and negatively by $0.9 million for plywood for the quarter ended September 30, 2018 and positively impacted OSB by $2.9 million and plywood by $2.5 million for the nine months ended September 30, 2018 as compared to the same periods in 2017.

During the third quarter, our Wilmington, N.C. engineered wood operation suffered damage in Hurricane Florence and has been temporarily shutdown. Initial cost ($0.5 million) associated with the repairs and clean up are included in our other operating charges and credits for the third quarter of 2018. We anticipate additional costs of $10 to $15 million (including capital) be incurred in the fourth quarter of 2018. It is expected that LP will receive reimbursement from our insurance carriers for costs in excess of our $5 million deductible.

For the quarter and nine months ended September 30, 2018, compared to the same periods in 2017, results of operations improved due to increased sales prices and reductions in manufacturing costs due to higher utilization across all EWP mills partially offset by increases in raw material costs, principally, lumber, veneer and OSB.

SOUTH AMERICA

Our South America segment manufactures and distributes OSB structural panel and siding products in South America and selected export markets. This segment has manufacturing operations in two countries, Chile and Brazil and operates sales offices in Chile, Brazil, Peru and Argentina.

Segment sales, operating income and Adjusted EBITDA from continuing operations for this segment are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Net sales	$ 34.5	$ 38.3	(10)%	$ 122.2	$ 114.8	6%
Operating income	$ 6.5	$ 5.8	12 %	$ 25.0	$ 16.4	52%
Adjusted EBITDA from continuing operations	$ 8.6	$ 8.2	5 %	$ 31.7	$ 23.2	37%
Adjusted EBITDA margin	25%	21%		26%	20%	

Sales in this segment by product line are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
OSB - value add	$ 30.4	$ 34.0	(11)%	$ 102.5	$ 97.8	5 %
SmartSide strand siding	3.4	3.3	3 %	17.1	14.1	21 %
Other	0.7	1.0	(30)%	2.6	2.9	(10)%
Total	$ 34.5	$ 38.3	(10)%	$ 122.2	$ 114.8	6 %

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2018 compared to the quarter and nine months ended September 30, 2017 are as follows:

	Quarter Ended September 30, 2018 versus 2017		Nine Months Ended September 30, 2018 versus 2017	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB	7%	(17)%	18%	(10)%
Siding	2%	(3)%	6%	12 %

OSB sales volumes decreased for the quarter and nine months ended September 30, 2018 as compared to the corresponding periods in 2017 due to reduced demand in South America due to the slowing housing market in Chile and continued economic weakness across South America. Sales prices for OSB and siding increased for the quarter and nine months ended September 30, 2018 as compared to the corresponding periods in 2017 due to price increases implemented in South America. For the quarter ended September 30, 2018, siding volume decreased due to the slowing housing market. however for the nine months ended September 30, 2018, sales volumes increased due to increased market penetration in key markets.

For the quarter and nine months ended September 30, 2018, compared to the same periods in 2017, results of operations were higher due to increases in sales prices partially offset by operating costs associated with start up of the third mill in Chile.

OTHER PRODUCTS

Our other products segment includes our joint venture that provides off-site framing for both residential and commercial construction, remaining timber and timberlands and other minor products, services and closed operations which are not classified as discontinued operations.

Segment sales, operating losses and Adjusted EBITDA from continuing operations for this category are as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
Net sales	$ 7.6	$ 6.5	17%	$ 22.9	$ 22.3	3 %
Operating losses	$ (1.2)	$ (1.6)	25%	$ (2.9)	$ (2.7)	(7)%
Adjusted EBITDA from continuing operations	$ (0.8)	$ (0.9)	11%	$ (1.3)	$ (0.6)	(117)%

GENERAL CORPORATE AND OTHER EXPENSE, NET

General corporate expenses were 5% lower for the the quarter and 2% lower for the nine months ended September 30, 2018 compared to the same periods in 2017. The decrease in costs are associated with changes in our incentive compensation plans and lower stock compensation expense offset by higher corporate initiatives related to supply chain activities. General corporate and other expenses primarily consist of corporate overhead such as wages and benefits, professional fees, insurance and other expenses for corporate functions including certain executive officers, public company costs, information technology, financial services, environmental and safety, legal, supply management, human resources and other corporate functions.

NON-OPERATING INCOME AND EXPENSE

Components of non-operating income and expense are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
Dollar amounts in millions	2018	2017	2018	2017
Interest income	$ 5.1	$ 2.6	$ 13.3	$ 6.4
Realized gain on sale of long-term security	0.2	—	0.2	—
SERP market adjustments	0.1	0.3	—	0.8
Investment income	5.4	2.9	13.5	7.2
Interest expense	(4.7)	(5.2)	(15.0)	(15.5)
Amortization of debt charges	(0.2)	(0.2)	(0.6)	(0.7)
Capitalized interest	1.1	0.5	2.9	1.4
Interest expense, net of capitalized interest	(3.8)	(4.9)	(12.7)	(14.8)
Net periodic pension cost, excluding service cost	(1.2)	(1.6)	(3.5)	(4.8)
Foreign currency gain (loss)	(1.0)	(0.6)	(0.8)	(2.4)
Other non-operating items	(2.2)	(2.2)	(4.3)	(7.2)
Total non-operating expense	$ (0.6)	$ (4.2)	$ (3.5)	$ (14.8)

INCOME TAXES

For the first nine months of 2018, we recorded an income tax expense on continuing operations of 24% as compared to 27% in the comparable period of 2017. The primary differences between the U.S. statutory rate of 21% and the effective rate of 24% applicable to our income from continuing operations for the first nine months of 2018 relate to state income tax, foreign tax rates, discretionary pension payments and tax deductions related to stock-based compensation. For the first nine months of 2017, the primary differences between the U.S. statutory rate of 35% and the effective rate of 27% applied to our continuing operations relate to foreign tax rates, changes in Canadian valuation allowances and the deduction for U.S. domestic production activities.

Each quarter the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is recorded in the current quarter.

OTHER COMPREHENSIVE INCOME (LOSS)

During the first nine months of 2018, the strengthening of the U.S. dollar as compared to the functional currencies of our South American operations resulted in a loss on foreign currency adjustment in other comprehensive income of $13.5 million as compared to income of $4.7 million during the comparable period of 2017. During the first nine months of 2018, the Brazilian real and Chilean peso weakened 18% and 6% as compared to the U.S. dollar.

LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our Annual Report on Form 10-K for the year ended December 31, 2017 and Note 12 to the Notes to the financial statements contained herein.

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

Our principal sources of liquidity are existing cash and investment balances, cash generated by our operations and our ability to borrow under such credit facilities as we may have in effect from time to time. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital market transactions.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness, paying dividends and making capital expenditures. We may also from time to time prepay or repurchase outstanding indebtedness, repurchase common stock or acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued or resumed, and the method or methods of effecting any such repurchases may be changed, at any time or from time to time without prior notice.

OPERATING ACTIVITIES

During the first nine months of 2018, operating activities provided $419.2 million of cash compared to $305.0 million during the first nine months of 2017. This change was primarily related to improvements in operating results (higher OSB pricing and SmartSide strand volume) offset by increases in working capital. In the third quarter of 2018, we made a discretionary contribution to our defined benefit pension plan of $33.2 million to maximize the tax savings allowed under the Tax Cuts and Jobs Act and lower our expenses associated with pension funding regulations going forward.

INVESTING ACTIVITIES

During the first nine months of 2018, cash used in investing activities was approximately $172.7 million. Capital expenditures in the first nine months of 2018 were $150.4 million. We used $45.0 million to invest in an unconsolidated affiliate (see Note 9 for additional details). Additionally, we received a payment of $22.2 million on notes receivable from asset sales. Included in “Accounts payable” is $17.1 million related to capital expenditures that had not yet been paid as of September 30, 2018.

During the first nine months of 2017, cash used in investing activities was approximately $109.1 million. Capital expenditures in the first nine months of 2017 were $80.7 million. We used $32.0 million to deposit cash with the U.S. I.R.S to suspend the running of interest on potential underpayments of disputable income tax amounts for the year 2016. Included in “Accounts payable” was $8.2 million related to capital expenditures that had not yet been paid as of September 30, 2017.

Capital expenditures in 2018 are expected to be approximately $200 million to $225 million related to expansions in our siding business, growth and maintenance projects and our South American expansion.

FINANCING ACTIVITIES

During the first nine months of 2018, cash used in financing activities was $183.3 million. We used $56.1 million to pay cash dividends, $108.0 million to repurchase stock either though a share repurchase program or in connection with income tax withholding requirements associated with our employee stock-based compensation plans. Additionally, during the first nine months of 2018, we received a grant from the Investments in Forest Industry Transformation program in Canada for $3.1 million in connection with our conversion of the Dawson Creek OSB mill.

During the first nine months of 2017, cash used in financing activities was $8.2 million. We used $2.5 million to repay outstanding debt in the first nine months of 2017 and $5.3 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans.

POTENTIAL IMPAIRMENTS

We continue to review mills and investments for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. As of September 30, 2018, the fair value of facilities that have not been indefinitely curtailed was in excess of their carrying value and supports the conclusion that no impairment is necessary for those facilities.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar, Brazilian real and the Chilean peso. Although we have in the past entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

Some of our products are sold as commodities and therefore sales prices fluctuate daily based on market factors over which we have little or no control. The most significant commodity product we sell is OSB. Based upon an assumed annual production capacity of 4.9 billion square feet (3/8" basis) or 4.2 billion square feet (7/16" basis), a $1 change in the annual average price per thousand square feet on 7/16" basis would change annual pre-tax profits by approximately $4.2 million.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2018, our Chief Executive Officer and Interim Chief Financial Officer have carried out, with the participation of the Company's Disclosure Practices Committee and the Company's management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Act). Based upon this evaluation, the Chief Executive Officer and Interim Chief Financial Officer have concluded that LP’s disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

We had no changes in our internal control over financial reporting during the quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
KEY STATISTICS

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Housing starts[1]:				
Single Family	235.6	229.6	687.7	648.6
Multi-Family	95.0	87.8	284.5	263.6
	330.6	317.4	972.2	912.2

[1] Actual U.S. Housing starts data reported by U.S. Census Bureau

The following tables set forth sales volume for the quarter and nine months ended September 30, 2018 and 2017.

	Quarter Ended September 30, 2018				Quarter Ended September 30, 2017			
Sales Volume	Siding	OSB	EWP	Total	Siding	OSB	EWP	Total
SmartSide® Strand siding (MMSF)	290.6	—	—	290.6	263.2	—	—	263.2
SmartSide® fiber siding (MMSF)	62.1	—	—	62.1	65.3	—	—	65.3
CanExel® siding (MMSF)	6.8	—	—	6.8	11.8	—	—	11.8
OSB - commodity (MMSF)	46.6	660.1	3.5	710.2	62.8	686.6	6.3	755.7
OSB - value added (MMSF)	1.2	435.0	9.1	445.3	—	402.3	10.2	412.5
LVL (MMCF)	—	—	1.7	1.7	—	—	1.9	1.9
LSL (MMCF)	—	—	1.1	1.1	—	—	0.8	0.8
I-joist (MMLF)	—	—	23.6	23.6	—	—	22.8	22.8

	Nine Months Ended September 30, 2018				Nine Months Ended September 30, 2017			
Sales Volume	Siding	OSB	EWP	Total	Siding	OSB	EWP	Total
SmartSide® Strand siding (MMSF)	862.0	—	—	862.0	797.2	—	—	797.2
SmartSide® fiber siding (MMSF)	175.4	—	—	175.4	197.5	—	—	197.5
CanExel® siding (MMSF)	31.7	—	—	31.7	40.6	—	—	40.6
OSB - commodity (MMSF)	111.6	1,938.6	28.9	2,079.1	189.0	1,973.8	25.9	2,188.7
OSB - value added (MMSF)	58.8	1,218.3	29.8	1,306.9	—	1,207.5	30.2	1,237.7
LVL (MMCF)	—	—	5.6	5.6	—	—	5.7	5.7
LSL (MMCF)	—	—	3.1	3.1	—	—	2.4	2.4
I-joist (MMLF)	—	—	69.1	69.1	—	—	66.0	66.0

INDUSTRY PRODUCT TRENDS

The following table sets forth the average wholesale price of OSB in the United States for the periods specified in dollars per 1,000 square feet.

Average	OSB Western Canada 7/16" Basis	OSB Southwest 7/16" Basis	OSB N. Central 7/16" Basis
2017 1st Qtr. Avg.	$263	$308	$292
2017 2nd Qtr. Avg.	$318	$328	$327
2017 3rd Qtr. Avg.	$382	$348	$401
2018 1st Qtr. Avg.	$356	$346	$367
2018 2nd Qtr. Avg.	$408	$435	$423
2018 3rd Qtr. Avg.	$285	$306	$369

Source: *Random Lengths*

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

The description of certain legal and environmental matters involving LP set forth in Part I of this report under “Note 12 – Legal and Environmental Matters” to the Notes to the financial statements contained herein is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes with respect to the risk factors disclosed in our 2017 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following amount of our common stock was repurchased during the quarter ended September 30, 2018:

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as part of Publicly Announced Purchase Plan or Program	Maximum Dollar Value of Shares That May Yet be Purchased under the Plans or Programs
July 1, 2018 - July 31, 2018	1,084,498	$27.63	1,084,498	$31,158,152
August 1, 2018 - August 31, 2018	551,594	$28.60	551,594	165,381,161
September 1, 2018 - September 30, 2018	477,442	$29.43	477,442	151,332,049
	2,113,534	$28.29	2,113,534	

On November 5, 2014, we announced that our Board of Directors authorized us to repurchase up to $100 million of our common stock. On August 7, 2018, we announced that our Board of Directors authorized an additional stock repurchase program under which we may repurchase up to $150 million of our common stock.

Repurchases may be made through open market, block and privately-negotiated transactions, including Rule 10b5-1 plans, at times and in such amounts as management deems appropriate, subject to market and business conditions, regulatory requirements and other factors. The authorization does not obligate us to repurchase any particular amount of common stock and may be suspended or discontinued at any time without notice.

Additionally, we repurchased 0.8 million shares at an average price of $23.12 through November 2, 2018 under these share repurchase authorizations.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

10.1	Non-Employee Directors Compensation Plan
10.2	Form of Restricted Stock Unit Award agreement for directors under the 2013 Omnibus Stock Award Plan.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).
32.1	Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
100.INS	XBRL Instance Document
100.SCH	XBRL Taxonomy Extension Schema Document
100.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
100.DEF	XBRL Taxonomy Extension Definition Linkbase Document
100.LAB	XBRL Taxonomy Extension Label Linkbase Document
100.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities 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:	November 6, 2018	BY:	/S/ W. BRADLEY SOUTHERN
			W. Bradley Southern
			Chief Executive Officer
Date:	November 6, 2018	BY:	/S/ REBECCA BARCKLEY
			Rebecca Barckley
			Controller, Financial Reporting
			(Principal Accounting Officer)

Exhibit 10.1

Louisiana-Pacific Corporation
Non-Employee Directors Compensation Plan

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

(a) **Establishment.** The Board adopted the Louisiana-Pacific Corporation Non-Employee Directors Compensation Plan (as amended from time to time, the "***Plan***") on November 2, 2018 (the "***Effective Date***").

(b) **Purpose.** The purpose of the Plan is to give the Company an advantage in attracting and retaining Non-Employee Directors and to link the interests of Non-Employee Directors to those of the Company's stockholders.

(c) **Term of Plan.** The Plan commenced on the Effective Date and will remain in effect until the Board terminates it pursuant to Section 7 hereof.

2. **DEFINITIONS AND CONSTRUCTION.**

(a) **Definitions.** The following defined terms have the meanings set forth below:

(i) "***Affiliate***" means any person that, directly or indirectly, is in control of, is controlled by, or is under common control with, the Company.

(ii) "***Annual Retainer***" means the cash retainer fee established by the Board in accordance with Section 5(a) and paid to a Non-Employee Director for services performed as a member of the Board for a Plan Year.

(iii) "***Award***" has the meaning given to such term under the Incentive Plan.

(iv) "***Beneficiary***" means the person entitled under Section 6(e) to receive payment of the balances remaining in a Non-Employee Director's Cash Account and/or DSU Account in case such Non-Employee Director dies before the entire balance in such Cash Account and/or DSU Account has been paid.

(v) "***Board***" means the Board of Directors of the Company.

(vi) "***Cash Account***" means a recordkeeping account in a Non-Employee Director's name to which his or her cash retainer fees not immediately payable to him or her and, if applicable, interest earned on such fees, are credited.

(vii) "***Change of Control***" means:

(A) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, (a "***Person***")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (I) the then outstanding Shares (the "***Outstanding Company Stock***") or (II) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ***"Outstanding Company Voting Securities"***); provided, however, that for purposes of this subsection (A), the following acquisitions shall not constitute a Change of Control: (I) any acquisition directly from the Company, (II) any acquisition by the Company, (III) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (IV) any acquisition pursuant to a transaction which complies with clauses (I), (II) and (III) of subsection (C) of this definition; or

(B) Individuals who, as of the Effective Date, constitute the Board (the ***"Incumbent Board"***) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) Consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (a ***"Business Combination"***), in each case, unless, following such Business Combination, (I) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding Shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Stock and Outstanding Company Voting Securities, as the case may be, (II) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (III) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(D) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if an amount is "deferred compensation" for purposes of Code Section 409A, and if payment of such amount would be accelerated or otherwise triggered upon a “Change in Control,” then the foregoing definition is modified, to the extent necessary to avoid the imposition of an excise tax under Code Section 409A, to mean a “change in control event” as such term is defined for purposes of Code Section 409A. For purposes of clarity, if an amount would, for example, vest and be paid on a “Change in Control” as defined herein but payment of such amount would violate the provisions of Code Section 409A, then the amount shall vest but will be paid only in compliance with its terms and Code Section 409A (i.e., upon a permissible payment event).

(viii) “***Code***” means the U.S. Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor thereto, together with rules, regulations, and interpretations promulgated thereunder. Where the context so requires, any reference to a particular Code section will be construed to refer to the successor provision to such Code section.

(ix) “***Common Stock Fair Market Value***” means the closing price of publicly traded Shares on the national exchange on which the Shares are listed as of a particular date.

(x) “***Company***” means Louisiana-Pacific Corporation, a Delaware corporation, or any successor corporation thereto.

(xi) “***Deferral Election Form***” means such document(s) or form(s), which may be electronic, as prescribed and made available from time to time by the Compensation Committee, whereby a Non-Employee Director elects to defer all or a portion of his or her Annual Retainer to his or her Cash Account or exchange all or a portion of his or her Annual Retainer and/or all of his or her Restricted Stock Units for an Award of Deferred Stock Units.

(xii) “***Deferred Stock Unit***” means a deferred stock unit (which Award is a form of restricted stock grant under the Incentive Plan) granted under the Incentive Plan.

(xiii) “***Director***” means any individual who is a member of the Board.

(xiv) “***DSU Account***” means a recordkeeping account in the Non-Employee Director’s name to which Deferred Stock Units are credited.

(xv) “***Effective Date***” has the meaning ascribed to it in Section 1(a).

(xvi) “***Exchange Act***” means the Securities Exchange Act of 1934, as amended and in effect from time to time, or any successor thereto, together with rules, regulations, and interpretations promulgated thereunder. Where the context so requires, any reference to a particular Exchange Act section will be construed to refer to the successor provision to such Exchange Act section.

(xvii) “***Incentive Plan***” means the Company’s 2013 Omnibus Stock Award Plan, as amended from time to time, or a successor plan.

(xviii) “***Installment Payment***” has the meaning ascribed to it in Section 5(a).

(xix) "***Non-Employee Director***" means a Director who, at the time in question, is not an employee of the Company or any of its Affiliates.

(xx) "***Plan***" has the meaning ascribed to it in Section 1.

(xxi) "***Plan Year***" means the 12 month period beginning on January 1 and ending on the next following December 31.

(xxii) "***Restricted Stock Unit***" means a restricted stock unit (which Award is a form of restricted stock granted under the Incentive Plan) granted under the Incentive Plan.

(xxiii) "***Separation from Service***" or "***Separate from Service***" means ceasing to be a Director of the Company for any reason. Notwithstanding anything to the contrary, the determination of whether an individual has had a Separation from Service will be made in accordance with Code Section 409A and the regulations thereunder.

(i) "***Shares***" means the common stock, $1.00 par value, of the Company, as adjusted from time to time.

(ii) "***Termination Date***" means the date on which a Non-Employee Director has a Separation from Service.

(b) **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION.**

(a) **The Board.** The Plan will be administered by the Board. The Board will act by a majority of its members at the time in office and eligible to vote on any particular matter, and may act either by a vote at a meeting or in writing without a meeting.

(b) **Authority of the Board.** Except as limited by law and subject to the provisions herein, the Board has full power to: construe and interpret the Plan and any agreement or instrument entered into under the Plan; establish, amend or waive rules and regulations for the Plan's administration; and amend the terms and conditions of the Plan. Further, the Board will make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law and consistent with Section 3(a), the Board may delegate some or all of its authority under this Plan.

(c) **Decisions Binding**. All determinations and decisions made by the Board pursuant to the provisions of the Plan will be final, conclusive and binding on all persons, including the Company, its stockholders, all Affiliates, Non-Employee Directors and their estates and beneficiaries.

4. **ELIGIBILITY.**

Each Non-Employee Director of the Board during a Plan Year will participate in the Plan for that year.

5. **ANNUAL RETAINER AND RESTRICTED STOCK UNIT GRANT.**

(a) **Amount Payable in Cash**. Each Non-Employee Director will be entitled to receive an Annual Retainer in the amount determined from time to time by the Board. Until changed by resolution of the Board, the Annual Retainer will be $80,000 for each Non-Employee Director, provided that the Annual Retainer for the (i) Chair of the Audit Committee and the Compensation Committee will be increased by $15,000, (ii) Chair of the Nominating Committee and the Chair of the Environmental, Quality Compliance Committee will be increased by $10,000, and (iii) the Chair of the Board will be increased by $225,000.

The Annual Retainer will be paid in quarterly cash installments (the "***Installment Payments***") to the Non-Employee Director, payable on the first day of the second month in each quarter (i.e., February 1, May 1, August 1, and November 1), for the given quarter's service. Each Installment Payment to a Non-Employee Director will equal the quotient of the Non-Employee Director's Annual Retainer divided by four. Any Non-Employee Director who first becomes a Non-Employee Director during a quarter will be entitled to a prorated Installment Payment for that quarter based on such Non-Employee Director's days of service for the applicable quarter.

(b) **Restricted Stock Unit Grant**. Each Non-Employee Director will be entitled to receive a grant of Restricted Stock Units, which grant will be made under the Incentive Plan, as of the date that is seven (7) calendar days following the date of any annual meeting of the stockholders of the Company at which such Non-Employee Director is elected or re-elected to serve in such position. The amount of the Restricted Stock Unit grant will be determined from time to time by the Board. Until changed by resolution of the Board, the number of Shares subject to each Restricted Stock Unit grant for each Non-Employee Director will be equal to $120,000 divided by the Common Stock Fair Market Value on the date of the grant. The Restricted Stock Units may be subject to restrictions and conditions in the event a Non-Employee Director ceases to be a Non-Employee Director, in accordance with the terms of the Incentive Plan and the applicable award agreement. Any Non-Employee Director who first becomes a Non-Employee Director during a year will be entitled to a prorated Restricted Stock Grant for that year based on such Non-Employee Director's days of service until the next annual meeting.

6. **DEFERRAL OF ANNUAL RETAINER AND RESTRICTED STOCK UNITS.**

(a) **Deferral of Annual Retainer**. Any Non-Employee Director may elect to defer the cash compensation payable to him or her under Section 5(a) for the Plan Year by completing a Deferral Election Form, pursuant to which he or she elects to (i) defer all or a portion of his or her Annual Retainer to his or her Cash Account and/or (ii) exchange all or a portion of his or her Annual Retainer for an Award of Deferred Stock Units. For purposes of clause (i) above, each Installment Payment deferred to a Non-Employee Director's Cash Account will be credited with interest, compounded monthly, from the date the cash would otherwise have been payable under Section 5(a) until the amount credited to his or her Cash Account is paid to the Non-Employee Director. The rate of interest credited for each quarter will be the annual rate on 30-year Treasury securities, as of the first business day of each quarter, on an annual basis. For purposes of clause (ii) above, the number of Deferred Stock Units to be awarded will be determined by dividing the amount of the Annual Retainer to be exchanged by the Common Stock Fair Market Value as of the date(s) on which the Annual Retainer would otherwise have been paid. Deferred Stock Units will be issued upon the date on which the Cash Retainer would otherwise have been paid and credited to the Non-Employee Director's DSU Account.

(b) **Deferral of Restricted Stock Units**. Any Non-Employee Director may elect to defer settlement of the Restricted Stock Units payable to him or her under Section 5(b) for the Plan Year by completing a Deferral Election Form, pursuant to which he or she elects to exchange all of his or her Restricted Stock Units for an Award of Deferred Stock Units. The Deferred Stock Units will be awarded at a rate of one Deferred Stock Unit for each Restricted Stock Unit and shall be issued upon the date that the Restricted Stock Units would have otherwise settled in Shares and credited to the Non-Employee Director's DSU Account. For the avoidance of doubt, a Non-Employee Director may not elect to defer Restricted Stock Units to his or her Cash Account.

(c) **Dividend Voting and Other Rights**. Non-Employee Directors will have no rights of ownership in the Shares underlying the Deferred Stock Units, no right to current dividends, and no right to vote the Shares underlying the Deferred Stock Units until the date on which the Shares underlying the Deferred Stock Units are issued pursuant to the Deferral Election Form. However, from and after the grant date of the Deferred Stock Units and until the Deferred Stock Units are settled in Shares, on the date the Company pays a dividend (if any) to holders of Shares generally, Non-Employee Directors holding Deferred Stock Units will be credited with dividend equivalent additional Deferred Stock Units equal to the number obtained by dividing (i) the amount of the dividend the Non-Employee Director would have received had he or she owned a number of Shares equal to the number of Deferred Stock Units then credited to his or her DSU Account by (ii) the Common Stock Fair Market Value on the day before the date of the dividend payment. These dividend equivalent Deferred Stock Units shall be credited to the Non-Employee Director's DSU Account and paid to such Non-Employee Director only if, and at the same time as, the Shares for such underlying DSUs are distributed to such Non-Employee Director pursuant to the terms of this Plan.

(d) **Timing and Form of Distribution**. The amount (or portion thereof, as applicable) in a Non-Employee Director's Cash Account and/or DSU Account will be distributed, or will begin to be distributed, to him or her or, in the event of his or her death, to his or her Beneficiary, as soon as administratively possible, but in any event within thirty (30) days following the earliest of:

(i) the date(s) specified by the Non-Employee Director in his or her Deferral Election Form(s);

(ii) the Non-Employee Director's Termination Date; and

(iii) the date on which a Change in Control occurs.

(e) **Beneficiary**. A Non-Employee Director may designate any person to whom payments are to be made if the Non-Employee Director dies before receiving payment of all amounts due hereunder. A Beneficiary Designation form becomes effective only after the signed form is filed with the Secretary of the Company while the Non-Employee Director is alive, and will cancel any prior Beneficiary Designation form. If the Non-Employee Director fails to designate a Beneficiary or if all designated Beneficiaries predecease the Non-Employee Director, the Non-Employee Director's Beneficiary will be his or her estate.

7. **AMENDMENT AND TERMINATION.**

The Board may at any time and from time to time, alter, amend, modify or terminate the Plan in whole or in part.

8. **MISCELLANEOUS.**

(a) **Indemnification**. Each person who is or has been a member of the Board will be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by that person in connection with or resulting from any claim, action, suit, or proceeding to which that person may be a party or in which that person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by that person in a settlement approved by the Company, or paid by that person in satisfaction of any judgment in any such action, suit, or proceeding against that person, provided he or she gives the Company an opportunity, at its own expense, to handle and defend the action, suit or proceeding before that person undertakes to handle and defend it. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which an individual may be entitled under the Company's Certificate of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify him or her or hold him or her harmless.

(b) **Successors**. All obligations of the Company under the Plan with respect to a given Plan Year will be binding on any successor to the Company, whether the existence of the successor is the result of a direct or indirect purchase of all or substantially all of the business and/or assets of the Company, or a merger, consolidation, or otherwise.

(c) **Reservation of Rights**. Nothing in this Plan or in any award agreement granted hereunder will be construed to limit in any way the Board's right to remove a Non-Employee Director from the Board.

(d) **Source of Shares**. The Restricted Stock Units and Deferred Stock Units that may be paid pursuant to the Plan shall be issued as restricted stock awards under the Incentive Plan subject to all of the terms and conditions of the Incentive Plan, and only to the extent that Shares remain available for issuance under the Incentive Plan. The terms and conditions of the Incentive Plan are incorporated into and made a part of this Plan with respect to any Restricted Stock Units and Deferred Stock Units paid pursuant to this Plan, and any awards of Restricted Stock Units or Deferred Stock Units shall be governed by and construed in accordance with the provisions of the Incentive Plan. In the event of any inconsistency between the Incentive Plan and this Plan with respect to Restricted Stock Units or Deferred Stock Units, the terms of the Incentive Plan shall control. The Plan does not constitute a separate source of Shares for the grant of the Restricted Stock Units and Deferred Stock Units described herein.

9. **LEGAL CONSTRUCTION.**

(a) **Gender and Number**. Except where otherwise indicated by the context, any masculine term used herein will also include the feminine; the plural will include the singular and the singular will include the plural.

(b) **Severability**. If any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

(c) **Requirements of Law**. The issuance of payments under the Plan will be subject to all applicable laws, rules, and regulations, and to any approvals required by any governmental agencies or national securities exchanges.

(d) **Securities Law and Tax Law Compliance**.

(i) **Insider Trading**. To the extent any provision of the Plan or action by the Board would subject any Non-Employee Director to liability under Section 16(b) of the Exchange Act, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Board.

(ii) **Section 409A**. This Plan is intended to comply with Code Section 409A and the regulations thereunder, and will be administered and interpreted in accordance with such intent. If the Company determines that any provision of the Plan is or might be inconsistent with the requirements of Code Section 409A, it will attempt in good faith to make such changes to the Plan as may be necessary or appropriate to avoiding a Non-Employee Director's becoming subject to adverse tax consequences under Code Section 409A. No provision of the Plan will be interpreted to transfer any liability for a failure to comply with Code Section 409A from a Non-Employee Director or any other individual to the Company. Notwithstanding anything to the contrary herein, if the Compensation Committee determines that the Non-Employee Director is a "specified employee" (within the meaning of Code Section 409A(a)(2)(B)), then notwithstanding any provision in the Plan to the contrary, payments triggered by the Non-Employee Director's Termination Date will not be paid until six months after the Non-Employee Director's Termination Date or until the Non-Employee Director's earlier death. The foregoing six-month delay provision will not affect the timing of payments that would otherwise be paid more than six months after the Non-Employee Director's Termination Date.

(e) **Unfunded Status of the Plan**. The Plan is intended to constitute an "unfunded" plan. With respect to any payments not yet made to a Non-Employee Director by the Company, nothing contained herein will give any rights to a Non-Employee Director that are greater than those of a general creditor of the Company.

(f) **Governing Law**. The Plan will be construed in accordance with and governed by the laws of the State of Delaware, determined without regard to its conflict of law rules.

(g) **Nontransferability.** A Non-Employee Director's Cash Account, DSU Account and any Restricted Stock Units or Deferred Stock Units granted hereunder may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, or pursuant to a domestic relations order (as defined in Code Section 414(p)). All rights with respect to Cash Accounts, DSU Accounts, Restricted Stock Units and Deferred Stock Units will be available during the Non-Employee Director's lifetime only to the Non-Employee Director or the Non-Employee Director's guardian or legal representative. The Board may, in its discretion, require a Non-Employee Director's guardian or legal representative to supply it with evidence the Board deems necessary to establish the authority of the guardian or legal representative to act on behalf of the Non-Employee Director.

EXHIBIT A

LOUISIANA-PACIFIC CORPORATION
NON-EMPLOYEE DIRECTORS COMPENSATION PLAN
DEFERRAL ELECTION FORM: ANNUAL RETAINER

Please complete and return this Deferral Election Form to [_______] so that it is received by Louisiana-Pacific Corporation (the "Company") on or before December 31 of the year prior to the year in which you intend to (i) defer all or a portion of your Annual Retainer to your Cash Account and/or (ii) exchange all or a portion of your Annual Retainer for an Award of Deferred Stock Units under the Louisiana-Pacific Corporation Non-Employee Directors Compensation Plan (the "Plan"). However, if you are newly eligible to participate in the Plan, you may complete and return this Deferral Election Form during the 30-day period following the date on which you became eligible to participate in the Plan. Capitalized terms used in this Deferral Election Form and not defined herein shall have the meaning ascribed to them in the Plan.

____________________ First Name	____________________ Middle Name		____________________ Last Name
____________________ Street Address	____________ City	______ State	____________ Zip Code

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ELECTION TO DEFER ANNUAL RETAINER

As a non-employee director on the Company's Board, you may elect to:

(i) defer receipt of all or a portion of your Annual Retainer, which will be credited to the Cash Account established for you under the Plan as of the date(s) you would have otherwise been paid your Annual Retainer.

(ii) exchange all or a portion of your Annual Retainer for an award of Deferred Stock Units, which will be credited to the DSU Account established for you under the Plan as of the date(s) you would have otherwise been paid your Annual Retainer.

This election will be applied to your Annual Retainer effective January 1 of the year following the year in which you make and file this election. **<u>This election will remain in effect for each subsequent year until you file a new Deferral Election Form with the Company.</u>** Any new election will not be effective until January 1 of the year following the year in which the new election is made and filed.

However, if you are a new participant in the Plan, and you make and file this election during the 30-day period following the date on which you became a participant in the Plan, your election will be applied to your Annual Retainer paid after your Deferral Election Form is filed.

Please complete the following:

(A) I elect to defer a whole percentage of my Annual Retainer equal to ________% (0% - 100%) to my Cash Account

(B) I elect to exchange a whole percentage of my Annual Retainer equal to ________% (0% - 100%) for an award of Deferred Stock Units under the terms of the Plan.

<u>*Note that the aggregate percentage included in (A) and (B) above cannot exceed 100%</u>.

ELECTION OF DISTRIBUTION DATE

The amount in your Cash Account and/or your Deferred Stock Units will be settled and/or distributed to you on the earliest to occur of (i) your Termination Date; (ii) the date on which a Change in Control occurs; and (iii) the date you elect pursuant to this Deferral Election Form, in accordance with the terms of the Plan. If you do not elect a date below, the amount in your Cash Account and/or your Deferred Stock Units (as applicable) will be settled and/or distributed upon the earlier of your Termination Date and the date on which a Change in Control occurs.

This election will be applied to your Cash Account and/or Deferred Stock Units credited to your DSU Account beginning on January 1 of the year following the year in which you make and file this election. Following your initial election, you may elect a different date by filing a new Deferral Election Form with the Company in accordance with the terms of the Plan; however, a new election following your initial election (1) must be filed with the Committee no later than 12 months prior to the distribution date you initially elected, (2) will not become effective until 12 months following the date your new election is made and filed, and (3) must elect a distribution date that is at least 5 years after the date you initially elected.

☐ I elect to receive payment of my Cash Account in a lump sum on _____________ ___, ______.

☐ I elect to receive a distribution (in Shares) of my Deferred Stock Units on _____________ ___, ______.

This Deferral Election Form, the Plan and the Incentive Plan are intended to comply with the applicable requirements of Code Section 409A and will be limited, construed and interpreted in a manner so as to comply therewith. I acknowledge and agree that the Company reserves the right to amend my election, the Plan and the Incentive Plan at any time to comply with the requirements of Code Section 409A.

AGREEMENT AND AUTHORIZATION

I understand that my elections are subject to review and final approval by the Company, and that my elections are governed by the terms and conditions of the Plan, as may be amended from time to time. The Plan and related Plan materials (if any) have been made available to me, and I have had the opportunity to ask questions and receive answers regarding the terms and conditions of the Plan. I hereby certify that the above information about me is true, accurate, and complete. I authorize the Company to make the appropriate deductions, as indicated on this form, from my Annual Retainer. <u>I acknowledge that I have been advised to consult with my own financial, tax, estate planning and legal advisors before making any election to defer compensation in order to determine the tax effects and other implications of my participation in the Plan</u>.

____   _______________________

Participant Signature   Date

(h)

EXHIBIT B

LOUISIANA-PACIFIC CORPORATION
NON-EMPLOYEE DIRECTORS COMPENSATION PLAN
DEFERRAL ELECTION FORM: RESTRICTED STOCK UNIT GRANT

Please complete and return this Deferral Election Form to [_______] so that it is received by Louisiana-Pacific Corporation (the "Company") on or before December 31 of the year prior to the year in which you intend to exchange all of your Restricted Stock Units for Deferred Stock Units under the Louisiana-Pacific Corporation Non-Employee Directors Compensation Plan (the "Plan"). However, if you are newly eligible to participate in the Plan, you may complete and return this Deferral Election Form during the 30-day period following the date on which you became eligible to participate in the Plan. Capitalized terms used in this Deferral Election Form and not defined herein shall have the meaning ascribed to them in the Plan.

First Name	Middle Name	Last Name	
Street Address	City	State	Zip Code

ELECTION TO RECEIVE DEFERRED STOCK UNITS

As a non-employee director on the Company's Board, you are scheduled to receive a grant of Restricted Stock Units in **[2019]**. This Restricted Stock Unit grant date will coincide with the Company's 2019 annual meeting. **[On such date]**, you will be granted a number of Restricted Stock Units equal to $120,000 divided by the Common Stock Fair Market Value on the date of the grant. **[These Restricted Stock Units will vest as follows: __________.]**

Under the terms of the Plan, you may elect to defer the settlement (in Shares) of all of your Restricted Stock Units by exchanging such Restricted Stock Units for an award of Deferred Stock Units, which will be credited to the DSU Account established for you under the Plan, as of the date your Restricted Stock Units would have otherwise settled. Upon making a timely deferral election, your Restricted Stock Units will remain subject to the same vesting terms but shall be exchanged for Deferred Stock Units on the original vesting date on the basis of one Deferred Stock Unit for each Restricted Stock Unit, and no Shares will be issued to you at the time such Shares would otherwise be issued under the Incentive Plan.

Please complete the following:

- I elect to defer the settlement (in Shares) of the Restricted Stock Units granted to me under the **[2019]** Restricted Stock Unit grant by exchanging my Restricted Stock Units for an award of Deferred Stock Units as follows:

  ☐ I elect to defer the settlement (in Shares) of 100% of my Restricted Stock Units.

ELECTION OF DISTRIBUTION DATE

Your Deferred Stock Units will be settled and distributed on the earliest to occur of (i) your Termination Date; (ii) the date on which a Change in Control occurs; and (iii) the date you elect pursuant to this Deferral Election Form, in accordance with the terms of the Plan. If you do not elect a date below, your Deferred Stock Units will be settled and distributed upon the earlier of your Termination Date and the date on which a Change in Control occurs.

☐ I elect to receive a distribution (in Shares) of my Deferred Stock Units on _____________ ___, ______.

I understand that by making this election, I will not receive Shares payable upon the vesting of my Restricted Stock Units and instead will receive Deferred Stock Units, which will be settled and distributed in Shares on the date elected above. I further understand that my election for the [calendar year] is irrevocable.

This Deferral Election Form, the Plan and the Incentive Plan are intended to comply with the applicable requirements of Code Section 409A and will be limited, construed and interpreted in a manner so as to comply therewith. I acknowledge and agree that the Company reserves the right to amend my election, the Plan and the Incentive Plan at any time to comply with the requirements of Code Section 409A.

AGREEMENT AND AUTHORIZATION

I understand that my elections are subject to review and final approval by the Company, and that my elections are governed by the terms and conditions of the Plan, as may be amended from time to time. The Plan and related Plan materials (if any) have been made available to me, and I have had the opportunity to ask questions and receive answers regarding the terms and conditions of the Plan. I hereby certify that the above information about me is true, accurate, and complete. <u>I acknowledge that I have been advised to consult with my own financial, tax, estate planning and legal advisors before making any election to defer compensation in order to determine the tax effects and other implications of my participation in the Plan</u>.

______________________________	______________________
Participant Signature	Date

Exhibit 10.2

RESTRICTED STOCK UNIT AWARD AGREEMENT

Corporation: Louisiana-Pacific Corporation, a Delaware corporation ("***Corporation***")

Awardee: ("***Director***")

Plan: Louisiana-Pacific Corporation 2013 Omnibus Stock Award Plan (the "***Plan***")

Award: «Shares» Share units having a value equal to such number of Shares ("***Restricted Stock Units***")

Grant Date: May XX, 20XX ("***Grant Date***")

Corporation and Director agree as follows:

1. **Defined Terms**. Capitalized terms not otherwise defined in this Restricted Stock Unit Award Agreement (the "***Agreement***") have the meanings given them in the Plan.

2. **Grant of Restricted Stock Units**. As of the Grant Date, Corporation has granted to Director the Restricted Stock Units (which Award is a form of restricted stock grant under the Plan). Each Restricted Stock Unit represents the right of Director to receive one Share subject to and upon the terms and conditions of this Agreement and the Plan.

3. **Acknowledgment.** Director acknowledges that the Restricted Stock Units are subject to the terms and conditions set forth in this Agreement and in the Plan.

4. **Vesting of Restricted Stock Units**.

(a) The Restricted Stock Units will become nonforfeitable and payable to Director pursuant to Section 5 hereof on the first anniversary of the Grant Date (the "Vesting Date"), conditioned upon Director's continuous service on the Board through the Vesting Date. Any Restricted Stock Units that do not so become nonforfeitable will be forfeited, including, except as provided in **Section 4(b)** below, if Director ceases continuous service on the Board prior to the Vesting Date.

(b) Notwithstanding **Section 4(a)** above, all of the Restricted Stock Units will become nonforfeitable and payable to Director pursuant to **Section 5** hereof upon the occurrence of any of the following events (each, an "***Early Vesting Event***") if the Restricted Stock Units have not previously been forfeited or become nonforfeitable: termination of Director's service on the Board by reason of Director's death, Disability or retirement, or a Change of Control. Retirement in this **Section 4(b)** means: (i) the Director's service ceases because of the mandatory retirement age requirement under Article II Section 16 of the Corporate Bylaws; or (ii) the

Director, having reached the age of 70 and whose tenure on the Board is greater than five years, choses not to stand for reelection within 90 days of his or her next election.

5. **Form and Time of Payment of Restricted Stock Units.**

(a) Payment for the Restricted Stock Units, after and to the extent they have become nonforfeitable, shall be made in the form of Shares. Except as provided in **Section 5(b)**, such payment shall be made within 10 days following the date that the Restricted Stock Units become nonforfeitable pursuant to **Section 4** hereof.

(b) If the Restricted Stock Units become nonforfeitable (i) by reason of the occurrence of a Change of Control as described in **Section 4(b)**, and if the Change of Control does not constitute a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code, or (ii) by reason of a termination of Director’s service on the Board by reason of Director’s Disability or retirement, and if such termination does not constitute a “separation from service” for purposes of Section 409A(a)(2)(A)(i) of the Code, then payment for the Restricted Stock Units will be made upon the earliest of (w) Director’s “separation from service” with Corporation and its Subsidiaries (determined in accordance with Section 409A(a)(2)(A)(i) of the Code), (x) the Vesting Date, (y) Director’s death, or (z) the occurrence of a Change of Control that constitutes a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code.

(c) Except to the extent provided by Section 409A of the Code and permitted by the Administrator, no Shares may be issued to Director at a time earlier than otherwise expressly provided in this Agreement.

(d) Corporation’s obligations to Director with respect to the Restricted Stock Units will be satisfied in full upon the issuance of Shares corresponding to such Restricted Stock Units.

6. **Restrictions during Vesting Period**. Subject to Section 6.6(a) of the Plan, prior to the Vesting Date or an Early Vesting Date, Director may not sell, assign, pledge, transfer, encumber or otherwise dispose of the Restricted Stock Units (or the Shares subject to the Restricted Stock Units).

7. **Dividend, Voting and Other Rights**. Director will have no rights of ownership in the Shares underlying the Restricted Stock Units, no right to dividends and no right to vote the Shares underlying the Restricted Stock Units until the date on which the Shares underlying the Restricted Stock Units are issued or transferred to Director pursuant to **Section 5** above. Director will be credited with dividend equivalent additional Restricted Stock Units equal to the amount or value of any cash or other distributions or dividends payable during the Vesting Period with respect to an equal number of shares of Stock.

8. **Tax Withholding**. As of the date the Plan was established, income recognized by non-employee Directors with respect to Restricted Stock Units is treated as self-employment income that is not subject to tax withholding. However, Corporation will have the right to withhold from any settlement of Restricted Stock Units made under the Plan, any federal, state, or local taxes of any kind subsequently required by law to be withheld or paid by Corporation on behalf of

Director with respect to such settlement. In the event any such taxes are imposed, Director will be required to make arrangements satisfactory to Corporation for the satisfaction of any such withholding tax obligation. Corporation will not be required to deliver shares under the Plan until any such obligation is satisfied.

9. **Miscellaneous.**

(a) Compliance With Law. Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, Corporation shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

(b) Compliance With Section 409A of the Code. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by Corporation without the consent of Director).

(c) Interpretation. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Except as expressly provided in this Agreement, capitalized terms used herein will have the meaning ascribed to such terms in the Plan.

(d) Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (i) no amendment shall adversely affect the rights of Director under this Agreement without Director’s written consent, and (ii) Director’s consent shall not be required to an amendment that is deemed necessary by Corporation to ensure compliance with Section 409A of the Code.

(e) Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

(f) Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement.

(g) Successors and Assigns. Without limiting the provisions of this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Director, and the successors and assigns of Corporation.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, Corporation has caused this Agreement to be executed on its behalf by its duly authorized officer and Director has executed this Agreement, effective as of May XX, 20XX.

Corporation: LOUISIANA-PACIFIC CORPORATION

By:

Its: **CEO**

Director:

Exhibit 31.1

CERTIFICATION

I, W. Bradley Southern, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 6, 2018

/S/ W. BRADLEY SOUTHERN

W. BRADLEY SOUTHERN

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Mike Kinney, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2018

/S/ MIKE KINNEY

MIKE KINNEY
Interim Chief Financial Officer
Director, Investor Relations and Treasurer

Exhibit 32.1

LOUISIANA-PACIFIC CORPORATION
411 Union Street, Suite 2000
Nashville, TN 37219-1700
(615)986-5600

November 6, 2018

Securities and Exchange Commission
100 F Street NE.
Washington, D.C. 20549

Re: Certification Pursuant to § 906 of the Sarbanes-Oxley Act of 2002

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the quarter and nine months ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/S/ W. BRADLEY SOUTHERN
Name: W. BRADLEY SOUTHERN
Title: Chief Executive Officer

/S/ MIKE KINNEY
Name: MIKE KINNEY
Title: Director, Investor Relations and Treasurer (Interim Chief Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.