

The LP logo consists of the letters 'LP' in a bold, white, sans-serif font. The 'L' and 'P' are connected at the top. A small registered trademark symbol (®) is located at the bottom right of the 'P'. The logo is set against a dark blue background.

BUILDING PRODUCTS



Louisiana-Pacific Corporation

Q4 2007 Financial Results
February 5, 2008

These slides were prepared and should be read in conjunction with a webcast presentation and earnings release by LP's management on February 5, 2008 relating to LP's financial condition and results of operations as of and for the quarter ended December 31, 2007. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after February 5, 2008.

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Forward Looking Statements

This presentation contains statements concerning Louisiana Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts, market demand for the company's products, and prices for structural products; the effect of forestry, land use, environmental and other governmental regulations; the ability to obtain regulatory approvals; and the risk of losses from fires, floods and other natural disasters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.



Statement Relating to the Use of Non-GAAP Financial Measures

During the course of this presentation, certain non-U.S. GAAP financial information will be presented. Reconciliation of those numbers to U.S. GAAP financial measures are available on the company's website at www.lpcorp.com under the Investor Relations Presentations section.



Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	December 31, 2007	Quarter Ended September 30, 2007	December 31, 2006
Net sales	\$ 377	\$ 473	\$ 368
Income (loss) from continuing operations	\$ (36)	\$ (55)	\$ (20)
Income (loss) from discontinued operations	\$ (3)	\$ (13)	\$ (5)
Net income (loss)	\$ (39)	\$ (68)	\$ (25)
Diluted EPS from continuing operations	\$ (0.35)	\$ (0.52)	\$ (0.19)
Diluted EPS	\$ (0.37)	\$ (0.65)	\$ (0.24)



Reconciliation of Special Items

Dollar amounts in millions, except per share amounts

	<u>Q4 07</u>	<u>Q3 07</u>	<u>Q4 06</u>
Income (loss) from continuing operations	\$ (36)	\$ (55)	\$ (20)
Less “special items”:			
(Gain) loss on sale or impairment of long-lived assets	3	48	2
Other operating credits and charges	7	(1)	4
	<u>10</u>	<u>48</u>	<u>6</u>
Provision (benefit) for income taxes	4	(19)	2
After tax effect of “special items”	<u>6</u>	<u>29</u>	<u>3</u>
Adjusted income (loss) from operations excluding “special items”	<u>\$ (30)</u>	<u>\$ (25)</u>	<u>\$ (17)</u>
Adjusted income (loss) from operations excluding “special items” per diluted share	\$ (0.28)	\$ (0.24)	\$ (0.16)



Financial Results – Annual

Dollar amounts in millions, except per share amounts

	Year Ended December 31,	
	2007	2006
Net sales	\$ 1,705	\$ 2,187
Income from continuing operations	\$ (142)	\$ 134
Income (loss) from discontinued operations	\$ (25)	\$ (10)
Net income	\$ (167)	\$ 124
Diluted EPS from continuing operations	\$ (1.37)	\$ 1.27
Diluted EPS	\$ (1.61)	\$ 1.17



Reconciliation of Special Items

Dollar amounts in millions, except per share amounts

	<u>Year Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
Income (loss) from continuing operations	\$ (142)	\$ 134
Less “special items”:		
(Gain) loss on sale or impairment of long-lived assets	57	3
Other operating credits and charges	(13)	1
	<u>45</u>	<u>4</u>
Provision (benefit) for income taxes	17	1
After tax effect of “special items”	<u>27</u>	<u>2</u>
Adjusted income from operations excluding “special items”	<u>\$ (115)</u>	<u>\$ 136</u>
Adjusted income from operations excluding “special items” per diluted share	\$ (1.11)	\$ 1.29



Tax Reconciliation

Dollar amounts in millions

	Quarter Ended December 31,			
	2007		2006	
	<u>Benefit</u>	<u>Rate</u>	<u>Benefit</u>	<u>Rate</u>
Continuing operations	\$ (45.4)	56%	\$ (30.1)	61%
Discontinued operations	(1.5)	38%	(3.3)	39%
	<u>\$ (46.9)</u>	55%	<u>\$ (33.4)</u>	58%

	Year Ended December 31,			
	2007		2006	
	<u>Benefit</u>	<u>Rate</u>	<u>Provision (Benefit)</u>	<u>Rate</u>
Continuing operations	\$ (125.1)	47%	\$ 29.6	18%
Discontinued operations	(15.5)	39%	(6.5)	(39%)
	<u>\$ (140.6)</u>	46%	<u>\$ 23.1</u>	16%



OSB

Dollar amounts in millions

	<u>Q4 07</u>	<u>Q3 07</u>	<u>Q4 06</u>	CHANGE FROM	
				<u>Q3 07</u>	<u>Q4 06</u>
Sales	\$ 189	\$ 228	\$ 184	(17%)	3%
Profit (loss) ^a	\$ (53)	\$ (32)	\$ (55)	(66%)	3%
DDA	\$ 15	\$ 16	\$ 16		
<u>Volume</u>				(11%)	(5%)
<u>Price</u>				(9%)	2%

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



Siding

Dollar amounts in millions

	<u>Q4 07</u>	<u>Q3 07</u>	<u>Q4 06</u>	CHANGE FROM	
				<u>Q3 07</u>	<u>Q4 06</u>
Sales	\$ 92	\$ 122	\$ 87	(25%)	5%
Profit ^a	\$ (4)	\$ 11	\$ 7	(138%)	(165%)
DDA	\$ 4	\$ 4	\$ 4		
<u>Volume</u>					
Smart Side				(24%)	17%
Hardboard				(27%)	(0%)
<u>Price</u>					
Smart Side				(2%)	2%
Hardboard				(6%)	(2%)

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



Engineered Wood Products

Dollar amounts in millions

				CHANGE FROM	
	<u>Q4 07</u>	<u>Q3 07</u>	<u>Q4 06</u>	<u>Q3 07</u>	<u>Q4 06</u>
Sales	\$ 72	\$ 93	\$ 77	(23%)	(7%)
Profit ^a	\$ (3)	\$ 3	\$ 5	(190%)	(159%)
DDA	\$ 4	\$ 4	\$ 3		
<u>Volume</u>					
I-Joist				(34%)	(13%)
LVL				(24%)	1%
<u>Price</u>					
I-Joist				4%	(5%)
LVL				1%	(7%)

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



Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	December 31, <u>2007</u>	December 31, <u>2006</u>
Total cash and investments	\$ 796	\$ 1,147
Working capital	\$ 587	\$ 1,239
Net cash and investments	\$ 391	\$ 827
Capital expenditures YTD (includes investments in JVs)	\$ 341	
Book value per share	\$ 17.95	\$ 19.84

See appendix for reconciliations

Appendix



Appendix

Dollar amounts in millions

Calculation of "Working Capital"

	December 31, 2007	December 31, 2006
Current assets	1,076	\$ 1,496
Current liabilities	(489)	(257)
Working capital	<u>\$ 587</u>	<u>\$ 1,239</u>

Calculation of "Net Cash and Investments"

Long-term debt	\$ (486)	\$ (645)
Short-term notes payable	(45)	(3)
Current portion of long term debt	(128)	-
Current portion of limited recourse notes payable	(74)	-
Notes receivable from assets sales	253	327
Current portion of notes receivable from assets sales	74	-
Total cash and investments	796	1,147
Net cash and investments	<u>\$ 391</u>	<u>\$ 827</u>

Calculation of "Total Cash and Investments"

Cash and cash equivalents	\$ 352	\$ 258
Short-term investments	180	797
Restricted cash	61	52
Long-term investments	203	40
Total cash and investments	<u>\$ 796</u>	<u>\$ 1,147</u>