

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended  
December 31, 1993

Commission File Number  
1-7107

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

DELAWARE  
(State of Incorporation)

93-0609074  
(I.R.S. Employer  
Identification No.)

111 S.W. Fifth Avenue  
Portland, Oregon 97204  
(Address of principal  
executive offices)

Registrant's telephone number  
(including area code)  
503-221-0800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$1 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

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  No

Indicate by check mark if disclosure of delinquent filers pursuant  
to Item 405 of Regulation S-K is not contained herein, and will not be  
contained, to the best of registrant's knowledge, in definitive proxy or  
information statements incorporated by reference in Part III of this  
Form 10-K or any amendment to this Form 10-K. [  ]

State the aggregate market value of the voting stock held by nonaffiliates  
of the registrant: \$4,207,432,000 as of March 16, 1994.

Indicate the number of shares outstanding of each of the registrant's  
classes of common stock: 110,276,380 shares of Common Stock, \$1 par  
value, outstanding as of March 16, 1994.

Documents Incorporated by Reference

Definitive Proxy Statement for 1994 Annual Meeting: Part III

## PART I

### ITEM 1. Business

#### General

Louisiana-Pacific Corporation, a Delaware corporation, is a major forest products firm headquartered in Portland, Oregon. It manufactures lumber, pulp, structural and other panel products, hardwood veneers, windows and doors and cellulose insulation. It operates 129 plants and mills in 27 U.S. states, Mexico, and three provinces in Canada, and has approximately 13,000 employees. It distributes its products primarily through distributors and home centers, and to a minor extent through its own distribution centers.

The business of Louisiana-Pacific Corporation and its wholly-owned subsidiaries (except where the context otherwise requires, hereinafter referred to collectively as "the registrant" or "L-P") is generally divided into two industry segments: building products and pulp. For 1993, building products accounted for approximately 97 percent of the registrant's gross sales revenues, compared to approximately 3 percent for pulp. With respect to operating profit in 1993, building products contributed approximately 111 percent, offset by an 11 percent loss for pulp.

#### Building Products

Lumber. The registrant is among the three largest producers of lumber in the United States. The registrant has 22 Western (whitewood and redwood) sawmills with an annual production capacity of 1,370 million board feet (MMBF), while its 28 Southern sawmills have an annual production capacity of 945 MMBF. Lumber represented 33 percent of the registrant's sales revenue in 1993, down from 53 percent in 1980. The registrant's sawmills produce a variety of standard U.S. dimension lumber as well as specialty grades and sizes, primarily for the North American home building market. A sawmill in Ketchikan, Alaska, produces lumber for export in the traditional sizes used in the Japanese building industry, but has the capability of switching to standard U.S. dimensions. The registrant also operates a planing mill in El Sauzal, Mexico.

Panel Products. The registrant manufactures plywood and a variety of reconstituted panel products, including Inner-Seal(R) oriented strand board (OSB) and such other panel products as industrial particleboard, medium density fiberboard, and hardboard. In recent years, the registrant has emphasized development and expansion of its reconstituted panel product lines. While such products accounted for 6 percent of the registrant's sales in 1980, they comprised 33 percent of its sales in 1993. Plywood sales have risen from 12 percent of sales in 1980 to 15 percent of sales in 1993.

The largest consumption of panel products is for structural uses in building and remodeling such as subfloors, walls and roofs. The total structural panel market in the United States (plywood, OSB and other waferboards) is approximately 26 billion square feet annually, of which plywood currently constitutes about 17 billion square feet. In recent years, environmental pressure on timber harvesting, especially in the West, has resulted in reduced supplies and higher costs, causing many plywood mills to close permanently. The lost volume from those closed mills (approximately 2 billion square feet annually according to industry sources) has been replaced by reconstituted structural panel products. The registrant operates seven plywood plants in the South with a combined annual capacity of 1.5 billion square feet.

The registrant is the largest domestic producer of oriented strand board through 17 Inner-Seal(R) OSB plants with an aggregate annual capacity of approximately 3.5 billion square feet. Approximately 50 percent of the registrant's 1993 sales volume in this category came from higher margin specialty products such as tongue and groove subflooring, siding, soffit and fascia.

The registrant's other reconstituted panel products-- industrial particleboard, medium density fiberboard, and hardboard--produced at a total of seven plants, are used primarily in the manufacture of furniture and cabinets.

Other Building Products. The registrant's new fiber gypsum wallboard, known as FiberBond(TM), is made from gypsum and waste paper and has improved capabilities over standard wallboard. Other FiberBond(TM) products include fire retardant sheathing and underlayment. The registrant's first fiber gypsum plant, with a production capacity of 78 million square feet, is the first of its kind in North America, although a similar product is manufactured in Europe. The plant began operations in Nova Scotia, Canada, in early 1991. A second plant is scheduled for start-up in mid-1994 in East Providence, Rhode Island.

Seven plants in Ohio and one in Nevada manufacture windows and doors.

The registrant produces various hardwood veneers at a plant in Wisconsin with both rotary and sliced manufacturing processes. These veneers are sold to customers who overlay the veneers on other materials for use in paneling, furniture and cabinets.

The registrant has three engineered I-joist plants located in Red Bluff, California, Fernley, Nevada, and Wilmington, North Carolina. Inner-Seal(R) OSB is cut into sections and used as the web for the I-joists.

The registrant also produces laminated veneer lumber (LVL) at Wilmington, North Carolina, and Fernley, Nevada. LVL is

a high grade structural product used where extra strength is required. It is also used as the flange material in I-joists.

Four plants produce cellulose residential insulation from recycled newspaper under the name Nature Guard(TM). This insulation has a higher R-value than comparable thicknesses of conventional fiberglass insulation.

#### Pulp

The registrant has three pulp mills located in Ketchikan, Alaska, Samoa, California, and Chetwynd, British Columbia, Canada, with a total annual capacity of 612 million short tons. The Chetwynd mill utilizes a state-of-the-art mechanical pulping process and a zero effluent discharge system to produce 100 percent aspen pulp. The Samoa mill can produce bleached kraft pulp by a chlorine-free process, thereby eliminating dioxins.

#### Competition

The registrant competes internationally with several thousand forest products firms, ranging from very large, fully integrated firms to smaller firms which may manufacture only one or a few items. The registrant estimates that approximately 25 forest products firms comprise its major competition. The registrant also competes less directly with firms which manufacture substitutes for wood building products. A majority of the products manufactured by the registrant, including lumber, structural panels and pulp, are commodity products sold primarily on the basis of price in competition with numerous other forest products companies.

In recent years, the registrant has introduced a number of new value-enhanced products to complement its traditional lumber and panel products, such as Inner-Seal(R) OSB panels, siding and concrete form. These innovative products are made from abundant, smaller-diameter and affordably-priced tree species, as well as treetops and mill shavings. Such trees have generally not been the target of environmentalist pressure, which has seriously restricted wood supplies for much of the industry, especially in the West. Similarly, the registrant's new fiber gypsum and cellulose insulation products utilize wood fiber from waste paper. The registrant believes development of these new products gives it a competitive advantage through lower and more predictable supply costs, resulting in higher profit margins.

#### Environmental Compliance

The registrant is subject to federal, state and local pollution control laws and regulations in all areas in which it has operating facilities. The registrant maintains an accounting reserve for environmental fines and certain other environmental

costs. Over the past two years, \$19.2 million in expense related to these costs has been recorded. At December 31, 1993, \$8.1 million remained in the reserve. Amounts which may be required in future years depend on the extent to which more stringent pollution control laws, regulations, and policies may be enacted by Congress, the states, localities, or adopted by enforcement agencies. From time to time, the registrant undertakes construction projects for environmental control facilities or incurs other environmental costs which extend an asset's useful life, improves efficiency or improves the marketability of certain properties.

Information concerning legal proceedings related to environmental compliance is set forth under Item 3, Legal Proceedings.

#### Additional Statistical Information

Additional information regarding the business of the registrant, including segment information, production volumes, and industry product price trends are presented in the following tables labeled "Sales and Operating Profit by Major Product Group," "Summary of Production Volumes," "Industry Product Price Trends," and "Logs by Source." Additional financial information about industry segments is presented in the table labeled "Industry Segment Information" located within Part II, Item 8, Notes to the Financial Statements.

Reference is made to Item 2 for additional information as to sources and availability of raw materials and the locations of the registrant's manufacturing facilities.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 SALES AND OPERATING PROFIT BY MAJOR PRODUCT GROUP

(Dollar amounts in millions)

Year ended December 31	1993	1992	1991	1990	1989
Sales:					
Lumber	\$ 816 33%	\$ 653 30%	\$ 526 31%	\$ 578 32%	\$ 695 35%
Structural panels	1,005 40	888 41	600 35	607 34	630 31
Other panels	194 8	150 7	146 9	139 8	146 7
Other building products	411 16	309 14	260 15	264 15	274 14
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Building products	2,426 97	2,000 92	1,532 90	1,588 89	1,745 87
Pulp	85 3	185 8	170 10	205 11	265 13
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Total sales	\$2,511 100%	\$2,185 100%	\$1,702 100%	\$1,793 100%	\$2,010 100%
	=====	=====	=====	=====	=====
Export sales (included above)	\$ 252 10%	\$ 339 16%	\$ 315 19%	\$ 381 21%	\$ 418 21%
	=====	=====	=====	=====	=====
Operating profit:					
Building products	\$ 562 111%	\$ 364 106%	\$ 139 102%	\$ 139 82%	\$ 253 74%
Pulp	(59)(11)	(20) (6)	(3) (2)	31 18	89 26
	-----	-----	-----	-----	-----
Total operating profit	503 100%	344 100%	136 100%	170 100%	342 100%
	-----	-----	-----	-----	-----
Unallocated expense, net	(70)	(47)	(30)	(25)	(38)
Interest expense, net	(5)	(14)	(19)	(8)	(12)
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Income before taxes	\$ 428	\$ 283	\$ 87	\$ 137	\$ 292
	=====	=====	=====	=====	=====

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
SUMMARY OF PRODUCTION VOLUMES

Volume amounts stated in millions (except pulp) and as a percent of normal capacity.

Year ended December 31	1993		1992		1991		1990		1989	
Lumber, board feet	1,796	87%	1,850	71%	1,838	69%	2,189	79%	2,441	89%
Softwood plywood, square feet 3/8" basis	1,507	105	1,405	80	1,318	75	1,541	88	1,515	86
Inner-Seal(R)/OSB, square feet 3/8" basis	3,100	100	2,850	101	2,481	81	2,507	94	2,239	102
Medium density fiberboard, square feet 3/4" basis	206	93	160	97	164	99	165	100	164	100
Particleboard, square feet 3/4" basis	359	106	335	93	324	91	269	100	281	104
Hardboard, square feet 1/8" basis	191	91	201	93	201	100	194	97	198	99
Hardwood veneer, square feet surface measure	260	108	252	89	229	80	272	109	253	112
Pulp, short tons (thousands)	224	37	459	72	365	80	400	95	391	93

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
INDUSTRY PRODUCT PRICE TRENDS

Prices represent yearly averages stated in dollars per thousand board feet (MBF), thousand square feet (MSF) or short ton.

Year ended December 31	1993	1992	1991	1990	1989
Framing lumber, composite prices, MBF	\$396	\$283	\$235	\$229	\$240
OSB, MSF, 7/16" 24/16 span rating (North Central price)	236	217	148	131	171
Southern pine plywood, MSF, 1/2" CDX (3ply)	282	248	191	182	201
Industrial particleboard, 3/4" basis, MSF	258	200	198	199	219
Bleached softwood sulfate pulp, short ton	418	509	519	723	753

Discounting sometimes occurs from the published price.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
LOGS BY SOURCE

Stated as a percent of total log volume

Year ended December 31	1993	1992	1991	1990	1989
Fee owned lands	12%	14%	15%	20%	20%
Private cutting contracts	15	15	15	15	13
Government contracts	10	12	17	14	18
Purchased logs	63	59	53	51	49
Total log volume (million board feet)	2,940	2,856	2,641	2,987	3,077

## ITEM 2. Properties

The registrant has three sawmills (redwood and whitewood) located in California with an annual production capacity of 200 MMBF. Twelve other Western sawmills operate in the following states or provinces: Alaska, Montana, Idaho, Oregon, Colorado, Washington, and Sundre, Alberta, Canada. These sawmills have an annual production capacity of 700 MMBF. Western studmills total seven in the following states: Montana, California, Idaho, Wyoming, and Washington, with an annual production capacity of 470 MMBF. The remaining 28 sawmills have an annual production capacity of 945 MMBF and are located in the South in the following states: Louisiana, Texas, Alabama, Florida, Georgia, Mississippi, and North Carolina.

The registrant has seven plywood plants located in Texas and Louisiana with a combined annual production capacity of 1.5 billion square feet. There are 17 OSB plants with a combined capacity of 3.5 billion square feet located in Idaho, Texas, Virginia, Alabama, Wisconsin, Maine, Georgia, Colorado, Michigan, Minnesota, Louisiana, and British Columbia, Canada. The registrant has three medium density fiberboard plants located in Alabama, California and Louisiana with a combined capacity of 220 MMSF; three particleboard plants in California, Montana and Texas with a capacity of 350 MMSF; and a hardboard plant in California with an annual production capacity of 210 MMSF.

Under the category of other building products, the registrant operates two hardwood veneer plants in Wisconsin, seven window and door plants in Ohio and Nevada, three I-joist and two laminated veneer lumber plants in Nevada, North Carolina, and California, two fingerjoint studmills in Montana and Idaho, and fiber gypsum plants in Nova Scotia, Canada and Rhode Island.

The registrant operates three pulp mills with an annual capacity of 612 million short tons in Alaska, California, and British Columbia, Canada.

Other manufacturing facilities include: a brick plant, four cellulose insulation plants, a cement fiber shake plant, three chip mills, an insulated glass and vinyl extrusion plant, a planing mill, and ten wood treating plants in these various locations: Mexico, Canada, Texas, Alabama, Florida, Georgia, Mississippi, Missouri, Ohio, Maryland, and California. The registrant also operates seven distribution centers in California, Texas, Kansas, and Oklahoma.

Information relating to the registrant's production volumes is located in the table labeled "Summary of Production Volumes" in Item 1. The information on capacities reflects normal operating rates and normal production mixes under current market conditions. Capacities also consider known constraints such as log supply.



At December 31, 1993, the registrant owned in fee approximately 1,585,900 acres of timberland in the United States. The timberland holdings including whitewoods, fir, pine, redwood, and hardwoods are located in the following states: California, Idaho, Louisiana, Minnesota, North Carolina, Oregon, Texas, Washington, Wisconsin and Wyoming.

In addition to its fee-owned timberlands, the registrant has timber cutting rights, under long-term contracts (five years and over) on approximately 110,000 acres and under contracts for shorter periods on approximately 278,000 acres, on government and privately owned timberlands in the vicinities of certain of its manufacturing facilities. Information regarding the sources of the registrant's log requirements is located under the table labeled "Logs By Source" in Item 1.

### ITEM 3. Legal Proceedings

The registrant has received a Notice of Violation issued by the U.S. Environmental Protection Agency alleging air emissions violations at the registrant's Dungannon, Virginia, OSB plant. The registrant has also received a Notice of Violation issued by the state of Michigan alleging air emissions violations at the registrant's Newberry, Michigan, OSB plant. The potential costs to the registrant cannot be determined at this time, but are not expected to have a material adverse effect on the registrant.

The registrant has been informed that it and one or more employees at its Olathe, Colorado, oriented strand board plant are the targets of a federal grand jury investigation concerning alleged tampering with emissions monitoring equipment and alteration of plant records. The registrant does not know when the investigation will be completed. The registrant began an internal investigation in the summer of 1992 and reported its initial findings of irregularities to governmental authorities in September, 1992.

On September 9, 1992, the U.S. Department of Justice filed suit in the U.S. District Court in Anchorage, Alaska, against the registrant's wholly-owned subsidiary Ketchikan Pulp Company ("KPC") alleging that the pulp mill in Ketchikan, Alaska, operated by KPC violated the Clean Air Act and the terms of KPC's wastewater discharge permit. The plaintiff seeks to require KPC to correct the alleged violations and also seeks penalties in an unspecified amount. Settlement discussions are currently underway.

The registrant has been informed that KPC and one or more employees at KPC's pulp mill are the targets of a federal grand jury investigation concerning wastewater discharges. No charges have been made and the registrant does not know when the investigation will be completed.

The registrant understands that a federal grand jury is investigating possible violations in connection with the disposal

by a contractor of a transformer containing polychlorinated biphenyls (PCBs) previously located at the registrant's former sawmill at Pendleton, Oregon. The registrant does not know whether it or any of its employees are targets of the investigation.

On October 19, 1992, the State of Wisconsin filed a suit against the registrant in state court in Dane County Circuit Court alleging that the registrant's oriented strand board plant at Hayward, Wisconsin, is in violation of state and federal clean air laws. The plaintiff seeks to require the registrant to correct the alleged violations and also seeks penalties in an unspecified amount. The case was settled in 1993 for \$550,000.

Management of the registrant believes that the outcome of the above matters will not have a materially adverse effect on the consolidated business or financial condition or results of operations of the registrant.

#### ITEM 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of the registrant's security holders during the fourth quarter of 1993.

#### Executive Officers of the Registrant

The following table sets forth the name of each executive officer of the registrant (including certain executives whose duties may cause them to be classified as executive officers under applicable SEC rules), the age of the officer and all positions and offices held with the registrant as of March 16, 1994:

Name	Age	Positions and Offices Held with the Registrant
Harry A. Merlo	69	Chairman and President
James Eisses	57	Executive Vice President and General Manager, Northern Division
Ronald L. Paul	50	Vice President, Operations, and General Manager, Southern Division
Melf U. Lorenzen	59	General Manager, Weather-Seal Division
Martin R. Pihl	59	President and General Manager, Ketchikan Pulp Company
Robert M. Simpson	35	General Manager, Western Division
William L. Hebert	43	Treasurer and Chief Financial Officer

Messrs. Merlo, Eisses, and Paul are also directors of the registrant.

All executive officers serve at the pleasure of the board of directors. The terms of office for which they are elected run

until the next annual meeting of the board of directors, unless earlier removed.

Except as set forth below, all of the executive officers have served in their present capacities for more than five years. In January 1994, Mr. Eisses became executive vice president; from June 1992 to January 1994, he was vice president, operations; previously he was general manager of L-P's Northern Division, a position he still holds. Mr. Paul became vice president, operations, in January 1994; previously he was general manager of L-P's Southern Division, a position he continues to hold. Prior to assuming his present position in March 1992, Mr. Simpson was president of Tricon Forest Products, Inc., a forest products broker. Mr. Hebert became treasurer and chief financial officer in January 1994; previously he was L-P's controller, finance.

## PART II

### ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters

The common stock is listed on the New York Stock Exchange, the Dow-Jones newspaper quotations symbol is "LaPac," and the ticker symbol is "LPX." Information regarding market prices for the registrant's common stock is included in the following table labeled "High and Low Stock Prices." Holders of the registrant's common stock may automatically reinvest dividends toward purchase of additional shares of the company's common stock. At March 16, 1994, L-P had approximately 24,600 stockholders of record.

#### LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES HIGH AND LOW STOCK PRICES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1993 High	\$39.38	\$38.07	\$36.38	\$42.13
Low	29.63	28.75	29.75	30.88
1992 High	22.34	23.44	25.32	31.50
Low	14.59	18.59	20.88	22.25

Information regarding dividends on its common stock declared by the registrant during the past two years is located in the following table.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 QUARTERLY DATA  
 (Dollar amounts in millions except per share)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1993				
Net sales	\$649.2	\$596.6	\$629.4	\$636.1
Gross profit	142.2	105.8	85.4	99.2
Income before taxes	140.3	104.7	84.3	98.3
Income	87.7	65.7	41.5	59.5
Income per share	.80	.60	.38	.54
Cash dividends per share	.10	.11	.11	.11
1992				
Net sales	\$475.5	\$539.1	\$641.4	\$528.7
Gross profit	60.1	74.4	96.5	66.5
Income before taxes	56.7	69.6	92.7	64.0
Net income	36.0	44.1	55.7	41.1
Net income per share	.34	.40	.52	.37
Cash dividends per share	.09	.10	.10	.10

Gross profit is income before taxes and interest.

All per share amounts have been retroactively adjusted for a two-for-one stock split paid June 8, 1993.

Does not include cumulative effects of accounting changes.

ITEM 6. Selected Financial Data

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

FINANCIAL SUMMARY

(Dollar amounts in millions except per share)

Year ended December 31	1993	1992	1991	1990	1989
Summary Income Statement Data:					
Net sales	\$2,511.3	\$2,184.7	\$1,702.1	\$1,793.3	\$2,009.5
Gross profit	432.6	297.5	106.3	144.6	304.1
Interest expense, net	5.0	14.4	18.9	7.6	12.2
Provision for income taxes	173.2	106.2	31.5	45.9	99.3
Income	254.4	176.9	55.9	91.1	192.6
Income per share	2.32	1.63	.52	.82	1.68
Cash dividends per share	.43	.39	.36	.35	.33
Average shares of common stock outstanding (thousands)	109,670	108,500	107,980	111,060	114,600

Summary Balance Sheets:

Current assets	\$ 614.1	\$ 539.1	\$ 461.4	\$ 509.1	\$ 653.6
Timber and timberlands, at cost less cost of timber harvested	673.5	531.2	532.7	518.3	513.0
Property, plant and equipment, net	1,145.9	1,070.3	1,066.1	1,036.8	827.0
Investments and other assets	32.8	65.4	46.9	39.9	38.1
Total assets	\$2,466.3	\$2,206.0	\$2,107.1	\$2,104.1	\$2,031.7
Current liabilities	\$ 317.2	\$ 295.5	\$ 259.5	\$ 195.5	\$ 180.0
Long-term debt, excluding current portion	288.6	386.3	492.7	588.7	529.5
Deferred income taxes and other	289.1	163.2	151.3	153.2	145.7
Stockholders' equity	1,571.4	1,361.0	1,203.6	1,166.7	1,176.5
Total liabilities and stockholders' equity	\$2,466.3	\$2,206.0	\$2,107.1	\$2,104.1	\$2,031.7

Key Financial Trends:

Working capital	\$ 296.9	\$ 243.6	\$ 201.9	\$ 313.6	\$ 473.6
Plant and logging road additions	\$ 208.4	\$ 161.4	\$ 152.3	\$ 330.4	\$ 223.1
Timber additions, net	81.5	40.1	49.6	44.4	36.9
Total capital additions	\$ 289.9	\$ 201.5	\$ 201.9	\$ 374.8	\$ 260.0
Long-term debt as a percent of total capitalization	16%	22%	29%	34%	31%

Gross profit is income before income taxes and interest.

All per share amounts and numbers of shares have been retroactively adjusted for a two-for-one stock split paid June 8, 1993.

Does not include cumulative effects of accounting changes.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Building Products

Continued growth in demand for building products fueled by a gradually improving economy in the United States pushed product prices higher. Tightening timber supplies, due to reductions in federal timber harvest volumes, also contributed to the rise in product prices.

Interest rates remained very favorable for the housing industry. Housing starts, an important measure of building products demand, rose for the fourth consecutive year totaling 1.285 million housing starts in 1993, a 7 percent increase over 1992. The low interest rate environment continues to benefit the repair and remodeling business as well.

Export markets for building products were quite weak in 1993 as both the Far East and European economies were slow.

Pulp

High worldwide inventories of market pulp combined with extremely depressed economic conditions in many of the countries that use market pulp caused the worst pulp market in recent memory. As a result the industry experienced sizable losses and significant downtime.

The following discussion of L-P's operations and financial condition presents specific highlights, and discusses material changes or trends affecting the results of operations. A thorough review of the table "Financial Summary" in Item 6 and the tables labeled "Sales and Operating Profit by Major Product Group," "Summary of Production Volumes," "Industry Product Price Trends," and "Logs by Source" located in Item 1 will provide a greater understanding of the factors which affect L-P's businesses. Those present, in a tabular format, many of the variables, volumes, operating rates of capacity, representative industry prices, and segment information to enhance the understanding of the financial statements.

## RESULTS OF OPERATIONS

### Building Products

L-P's building products segment, which in 1993 accounted for 97 percent of total sales, posted a record year, both in terms of sales and profits. Sales in 1993 totalled \$2.4 billion compared with \$2.0 billion in 1992 and \$1.5 billion in 1991. The record sales in 1993 resulted from higher volumes and prices of nearly every building products category. Particularly strong performers in 1993 were panel products: oriented strand board (OSB), plywood and industrial panel products. Also turning solid sales gains was L-P's Other Building Products category which includes, among other products, engineered wood products: I-joists and laminated veneer lumber. Operating profits also were a record in 1993 totaling \$562 million compared with \$364 million in 1992 and \$139 million in 1991.

Operating profits in each of the past three years have increased despite the rising costs of raw materials. Logs purchased in the open market for sawmills and plywood plants have increased 20-30 percent in each of the past three years. However, purchased wood for L-P's OSB plants has increased 6-8 percent per year in each of the past three years. Sawdust and wood shavings which are the raw materials for industrial panel products have also increased in each of the past three years, primarily due to reductions in sawmill production caused by timber shortages.

### Pulp

Significant downtime in L-P's pulp mills and record low prices resulted in pulp sales for 1993 of only \$85 million compared with \$185 million in 1992 and \$170 million in 1991. L-P's three pulp mills operated at only 37 percent of normal capacity in 1993 due to market related downtime. Operating profits also reflected the conditions in the pulp industry posting a record \$59 million loss versus losses of \$20 million in 1992 and \$3 million in 1991.

## ENVIRONMENTAL UPDATE

The greatest challenge confronting L-P today is the ever changing rules and regulations concerning the environment. Our plants face increasingly stringent standards for air and water emissions. Our timberlands are subject to challenges from preservationist groups focused on locking up the nations' timber supply.

L-P's management is dedicated to meeting these challenges by effectively resolving past environmental issues and committing substantial human and financial resources to its future

environmental performance. In 1993, the company spent over \$100 million in environmental costs and capital projects. Its actions are overseen by the company's Department of Environmental Affairs and by the Environmental Affairs Committee of the board of directors.

A few examples of the company's environmental performance in the past several years are: the conversion of the company's Samoa, California pulp mill to a chlorine-free process, thereby eliminating dioxins; L-P's agreement with the Environmental Protection Agency (EPA) to install state-of-the-art regenerative thermal oxidization technology at fifteen of its wood panel plants; and, voluntarily eliminating the practice of clear-cutting on the company's timberlands.

Although L-P's corporate policy is to comply with all applicable laws, L-P has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Where the environmental infractions were caused by others, L-P vigorously pursues recovery through legal channels. Listed below are some of the environmental actions recently resolved or currently pending against the company.

In 1992, as part of an industry-wide inquiry, L-P received notices of violation from the EPA involving fifteen of its wood panel manufacturing facilities. In 1993, L-P reached a precedent-setting settlement which called for L-P to pioneer pollution control technology at these facilities. The agreement also required L-P to pay an \$11.1 million fine to EPA. The fine was paid in 1993, but had been substantially accrued for in 1992.

L-P has been informed that it and one or more of its employees are the subjects of separate federal grand jury investigations regarding air emissions at its Montrose, Colorado, plant and wastewater discharges at its Ketchikan Pulp Company subsidiary's pulp mill. The investigations have not been completed and no charges against the company or any of its employees have been made. Also, Ketchikan Pulp Company is the subject of a civil enforcement action alleging violations of the Clean Water Act and Clean Air Act. Settlement of this action will likely involve fines and future capital expenditures for environmental projects.

Certain of L-P's plants or properties held for sale are suspected of having substances in the ground and groundwater that are considered pollutants. Under the direction of the company's Department of Environmental Affairs, corrective action or plans for corrective action are underway.

Management believes that the costs of complying with the above actions will not have a material adverse effect on the business, financial condition or results of operations of the company. Generally, L-P expenses the costs of such actions currently as they become known.



## FINANCIAL POSITION AND LIQUIDITY

Sales for 1993 totalled a record \$2.5 billion compared with \$2.2 billion in 1992 and \$1.7 billion in 1991. Income before cumulative effects of accounting changes for 1993 was \$254.4 million, including a \$4.4 million charge related to the 1 percent increase in the federal statutory tax rate used to calculate beginning of the year deferred income taxes, compared with net income of \$176.9 million in 1992 and \$55.9 million in 1991. The cumulative effects of accounting changes relate to adoption of Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" which resulted in an after-tax charge of \$7.2 million, \$.07 per share and Financial Accounting Standards Board Statement No. 106, "Employers' Accounting for Post-retirement Benefits Other Than Pensions" which resulted in a net charge of \$3.2 million, \$.03 per share.

L-P's financial position and liquidity continues to be among the strongest in the industry. Long-term debt as a percent of total capitalization was only 15.5 percent at December 31, 1993 compared with 22 percent at year end 1992 and 29 percent at year end 1991. The company's ratio of current assets to current liabilities was 1.94 at December 31, 1993, 1.82 at December 31, 1992, and 1.78 at December 31, 1991. Cash and cash equivalents totalled \$261.6 million at December 31, 1993, up from \$228.1 million at December 31, 1992.

Record profits in 1993 also resulted in record cash provided from operations of \$438.5 million, compared with \$360.3 million in 1992 and \$250.2 million in 1991. This strong cash flow has allowed the company to invest in environmental projects, added capacity, continued improvement and upgrading of its existing facilities and make investments in timber. It has also allowed the company to make its mandatory debt repayments and consistently increase cash dividends to its stockholders.

L-P has an unused line of credit with banks totaling \$100 million that is available for general corporate purposes. It maintains short-term credit ratings of A-1 with Standard & Poors and D-1 Plus with Duff & Phelps.

L-P has a stock purchase program whereby at management's discretion the company may purchase 2.2 million shares of L-P stock. The company purchased 200,000 shares of L-P common stock in 1993.

In 1994, L-P plans capital expenditures of about \$325-350 million. Other cash needs include mandatory debt repayments of \$105 million and cash dividends, which at the current dividend rate totals \$48 million.

ITEM 8. Financial Statements and Supplementary Data

The consolidated financial statements and accompanying notes to financial statements together with the report of independent public accountants are located on the following pages. Quarterly data for the registrant's latest two fiscal years is located in the tables labeled "1993 Quarterly Data" and "1992 Quarterly Data" in Item 5.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Dollar amounts in millions)

December 31	1993	1992
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 261.6	\$ 228.1
Accounts receivable, less reserves of \$1.0 and \$1.0	110.9	113.0
Inventories	234.7	192.3
Prepaid expenses	6.9	5.7
	-----	-----
Total current assets	614.1	539.1
Timber and Timberlands, at cost less cost of timber harvested	673.5	531.2
Property, Plant and Equipment, at cost:		
Land, land improvements and logging roads, net of road amortization	143.8	137.8
Buildings	211.1	209.8
Machinery and equipment	1,631.6	1,521.5
Construction in progress	126.3	75.6
	-----	-----
	2,112.8	1,944.7
Less reserves for depreciation	(966.9)	(874.4)
	-----	-----
Net property, plant and equipment	1,145.9	1,070.3
Investments and Other Assets	32.8	65.4
	-----	-----
Total Assets	\$2,466.3	\$2,206.0
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 105.5	\$ 105.4
Short-term notes payable	41.7	37.2
Accounts payable and accrued liabilities	149.2	145.6
Income taxes payable	20.8	7.3
	-----	-----
Total current liabilities	317.2	295.5
Long-term Debt, excluding current portion	288.6	386.3
Deferred Income Taxes	264.8	154.5
Other Long-term Liabilities	24.3	8.7
Stockholders' Equity:		
Common stock, \$1 par value, 200,000,000 shares authorized, 116,937,022 shares issued	117.0	58.5
Preferred stock, \$1 par value, 15,000,000 shares authorized, no shares issued	--	--
Additional paid-in capital	431.5	422.5
Retained earnings	1,217.2	1,079.3
Less treasury stock, 6,755,938 shares, at cost	(85.6)	(88.5)
Loans to Employee Stock Ownership Trusts	(72.5)	(87.0)
Other equity adjustments	(36.2)	(23.8)
	-----	-----
Total stockholders' equity	1,571.4	1,361.0
	-----	-----
Total Liabilities and Stockholders' Equity	\$2,466.3	\$2,206.0
	=====	=====

See notes to financial statements.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(Dollar amounts in millions except per share)

Year ended December 31	1993	1992	1991
Net Sales	\$2,511.3	\$2,184.7	\$1,702.1
Costs and Expenses:			
Cost of sales	1,779.9	1,620.5	1,366.3
Depreciation and amortization	133.0	121.4	114.6
Cost of timber harvested	50.2	41.6	35.2
Selling and administrative	115.6	103.7	79.7
Interest income	(7.8)	(7.3)	(12.1)
Interest expense, net of capitalized interest of \$3.5, \$4.9 and \$12.8	12.8	21.7	31.0
Total costs and expenses	2,083.7	1,901.6	1,614.7
Income before taxes and cumulative effects of accounting changes	427.6	283.1	87.4
Provision for income taxes	(173.2)	(106.2)	(31.5)
Income before cumulative effects of accounting changes	254.4	176.9	55.9
Cumulative effects of accounting changes, net of income taxes of \$1.9	(10.4)	--	--
Net Income	\$ 244.0	\$ 176.9	\$ 55.9
Earnings per share:			
Income before cumulative effects of accounting changes	\$2.32	\$1.63	\$ .52
Cumulative effects of accounting changes	(.09)	--	--
Net Income	\$2.23	\$1.63	\$ .52
Cash Dividends Per Share of Common Stock	\$ .43	\$ .39	\$ .36
Average Shares of Common Stock (thousands)	109,670	108,500	107,980

See notes to financial statements.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollar amounts in millions)

Year ended December 31	1993	1992	1991
<b>Cash Flows From Operating Activities:</b>			
Net income	\$ 244.0	\$ 176.9	\$ 55.9
Adjustments to reconcile income to net cash provided by operating activities:			
Cumulative effects of accounting changes	10.4	--	--
Depreciation, amortization and cost of timber harvested	183.2	163.0	149.8
Other non-cash charges	29.1	29.6	15.0
Decrease (increase) in receivables	3.6	(33.3)	(8.5)
Decrease (increase) in inventories	(39.7)	(8.0)	36.5
Decrease (increase) in prepaid expenses	(1.1)	.9	1.4
Increase (decrease) in accounts payable and accrued liabilities	1.5	22.5	(3.6)
Increase (decrease) in income taxes payable	9.1	(4.8)	5.3
Increase (decrease) in deferred income taxes	(1.6)	13.5	(1.6)
	-----	-----	-----
Net cash provided by operating activities	438.5	360.3	250.2
<b>Cash Flows From Investing Activities:</b>			
Plant, equipment and logging road additions	(208.4)	(161.4)	(152.3)
Timber and timberland additions, net	(81.5)	(40.1)	(49.6)
Net book value of plant and equipment sold	4.1	11.4	8.3
Decrease (increase) in investments and other assets	32.1	(16.4)	(5.3)
	-----	-----	-----
Net cash used in investing activities	(253.7)	(206.5)	(198.9)
<b>Cash Flows From Financing Activities:</b>			
New borrowing -- long-term debt	--	--	30.7
Increase in short-term notes	.6	9.6	27.6
Repayment of long-term debt	(105.3)	(97.7)	(92.0)
Cash dividends	(47.3)	(42.5)	(38.9)
Purchase of treasury stock	(13.8)	--	(3.7)
Miscellaneous financing activities	14.5	14.1	6.7
	-----	-----	-----
Net cash used for financing activities	(151.3)	(116.5)	(69.6)
Net increase (decrease) in cash and cash equivalents	33.5	37.3	(18.3)
Cash and cash equivalents at beginning of year	228.1	190.8	209.1
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 261.6	\$ 228.1	\$ 190.8
	=====	=====	=====

See notes to financial statements.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(Dollar amounts except per share)

Year ended December 31	1993	1992	1991
<b>Common Stock:</b>			
Beginning Balance, 58,457,749, 38,959,366 and 38,948,331 shares	\$ 58.5	\$ 39.0	\$38.9
Shares issued, employee stock plans, 10,762, 20,010 and 11,035 shares	--	--	.1
Shares issued under stock splits: 2-for-1 in 1993, 58,468,511 and 3-for-2 in 1992, 19,478,373	58.5	19.5	--
	-----	-----	-----
Ending Balance, 116,937,022, 58,457,749 and 38,959,366 shares	\$117.0	\$ 58.5	\$ 39.0
	=====	=====	=====
<b>Additional Paid-In Capital:</b>			
Beginning Balance	\$422.5	\$404.5	\$402.6
Shares issued for employee stock plans	9.0	18.0	1.9
	-----	-----	-----
Ending Balance	\$431.5	\$422.5	\$404.5
	=====	=====	=====
<b>Retained Earnings:</b>			
Beginning Balance	\$1,079.3	\$ 964.4	\$ 947.4
Net income	244.0	176.9	55.9
Par value of shares issued in stock splits: 2-for-1 in 1993 and 3-for-2 in 1992	(58.8)	(19.5)	--
Cash dividends, \$.43, \$.39 and \$.36 per share	(47.3)	(42.5)	(38.9)
	-----	-----	-----
Ending Balance	\$1,217.2	\$1,079.3	\$ 964.4
	=====	=====	=====
<b>Treasury Stock:</b>			
Beginning Balance, 3,848,800, 2,967,831 and 3,078,183 shares	\$ (88.5)	\$ (102.3)	\$ (105.9)
Reacquisition program, 200,000, 0 and 100,000 shares	(13.8)	--	(3.7)
Shares issued under stock splits: 2-for-1 in 1993, 3,624,075 and 3-for-2 in 1992, 1,441,916	--	--	--
Shares reissued under employee stock plans, 916,937, 560,947 and 210,352 shares	16.7	13.8	7.3
	-----	-----	-----
Ending Balance, 6,755,938, 3,848,800 and 2,967,831 shares	\$ (85.6)	\$ (88.5)	\$ (102.3)
	=====	=====	=====
<b>Loans to Employee Stock Ownership Trusts:</b>			
Beginning Balance	\$ (87.0)	\$ (101.5)	\$ (116.0)
Less current year contribution	14.5	14.5	14.5
	-----	-----	-----
Ending Balance	\$ (72.5)	\$ (87.0)	\$ (101.5)
	=====	=====	=====
<b>Other Equity Adjustments:</b>			
Beginning Balance	\$ (23.8)	\$ (.5)	\$ (.3)
Marketable equity securities adjustment	(.6)	2.0	1.2
Currency translation adjustment	(11.8)	(25.3)	(1.4)
	-----	-----	-----
Ending Balance	\$ (36.2)	\$ (23.8)	\$ (.5)
	=====	=====	=====

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Principles of Presentation

The consolidated financial statements include the accounts of Louisiana-Pacific Corporation and all of its subsidiaries (L-P), after elimination of intercompany balances and transactions.

#### Earnings Per Share

Earnings per share have been computed based on the weighted average number of shares of common stock outstanding during the periods. The effect of common stock equivalents is not material.

All per share amounts and number of shares have been retroactively adjusted for a two-for-one stock split declared on May 4, 1993, for stockholders of record on May 18, 1993. The additional shares were issued on June 8, 1993. In 1992, L-P declared a three-for-two stock split.

#### Cash and Cash Equivalents

L-P considers all highly liquid securities with a maturity of three months or less to be cash equivalents. Cash paid during 1993, 1992, and 1991 for interest (net of capitalized interest) was \$13.2 million, \$21.9 million and \$31.2 million. Cash paid during 1993, 1992, and 1991 for income taxes (net of refunds received) was \$161.1 million, \$93.5 million and \$25.3 million.

At December 31, 1993, Louisiana-Pacific Canada Ltd., a wholly-owned subsidiary of L-P, had restricted cash balances of USD \$16.3 million related to loan agreements which require such balances based on changes in the Canadian dollar relative to the U.S. dollar. These balances are interest-bearing to Louisiana-Pacific Canada Ltd. at short-term interest rates.

The carrying amounts of cash and cash equivalents approximates fair value because of the short maturity of those instruments.

#### Inventory Valuation

Inventories are valued at the lower of cost or market. Inventory costs include material, labor and operating overhead. The

NOTES TO FINANCIAL STATEMENTS

LIFO method is used for most log and lumber inventories. Inventory quantities are determined on the basis of physical inventories, adjusted where necessary for intervening transactions from the date of the physical inventory to the end of the year. The major types of inventories are as follows:

December 31 (in millions)	1993	1992
Logs	\$124.7	\$ 89.7
Lumber	67.1	55.6
Panel products	31.3	24.9
Other building products	30.3	26.4
Pulp	26.1	25.6
Other raw materials	27.9	20.9
Supplies	16.8	16.9
LIFO reserve	(89.5)	(67.7)
	-----	-----
Total	\$234.7	\$192.3
	=====	=====

Timber

L-P follows an overall policy on fee timber that amortizes timber costs over the total fiber available during the estimated growth cycle. Timber carrying costs, such as reforestation and forest management, are expensed as incurred. Cost of timber harvested includes not only the cost of fee timber but also the amortization of the cost of long-term timber deeds.

Property, Plant and Equipment

L-P uses the units of production method of depreciation for most machinery and equipment which amortizes the cost of equipment over the estimated units that will be produced during its useful life.

Provisions for depreciation of buildings and the remaining machinery and equipment have been computed using straight-line rates based on the estimated service lives. The effective straight-line rates for the principal classes of property range from approximately 5 percent to 20 percent.

Logging road construction costs are capitalized and included in land and land improvements. These costs are amortized as the timber volume adjacent to the road system is harvested.



## NOTES TO FINANCIAL STATEMENTS

L-P capitalizes interest on borrowed funds during construction periods. Capitalized interest is charged to machinery and equipment accounts and amortized over the lives of the related assets. Interest capitalized during 1993, 1992, and 1991 was \$3.5 million, \$4.9 million, and \$12.8 million.

L-P defers start-up costs on major construction projects during the start-up phase and amortizes the deferral over seven years. Start-up costs deferred during 1992 and 1991 were \$23.8 million and \$17.1 million. No start-up costs were deferred during 1993.

### Income Tax Policies

During the first quarter of 1993, L-P adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109), which utilizes the liability method whereby deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities using the tax rates applicable at the balance sheet date. Adoption of this standard resulted in a one-time, after tax charge of \$7.2 million or seven cents per share. In addition, inventories, timber and timberlands and property, plant and equipment increased by approximately \$102.9 million. The effect of adopting this standard did not have a material impact on pre-tax income or income tax expense.

NOTES TO FINANCIAL STATEMENTS

Income before taxes and cumulative effects of accounting changes for the years ended December 31 was taxed under the following jurisdictions:

Year ended December 31 (in millions)	1993	1992	1991
Domestic	\$416.2	\$270.6	\$83.1
Foreign	11.4	12.5	4.3
	-----	-----	-----
	\$427.6	\$283.1	\$87.4
	=====	=====	=====

Provision (benefit) for income taxes includes the following:

Year ended December 31 (in millions)	1993	1992	1991
Current tax provision:			
U.S. federal	\$149.5	\$ 81.9	\$28.1
State and local	22.6	9.0	4.5
Foreign	2.7	1.8	.5
	-----	-----	-----
Total current tax provision	\$174.8	\$ 92.7	\$33.1
	=====	=====	=====
Deferred tax provision (benefit):			
U.S. federal	\$ (.2)	\$ 12.2	\$(1.5)
State and local	.1	1.3	(.1)
Foreign	(1.5)	--	--
	-----	-----	-----
Total deferred tax provision (benefit)	\$ (1.6)	\$ 13.5	\$(1.6)
	=====	=====	=====

L-P increased its U.S. deferred tax liability in 1993 as a result of legislation enacted during 1993 increasing the corporate tax rate from 34 percent to 35 percent effective January 1, 1993. Included in the deferred tax provision is the effect of the 1 percent increase and other tax law changes related to L-P's deferred income tax liability which resulted in a net charge of \$4.4 million, or \$.04 per share.

NOTES TO FINANCIAL STATEMENTS

The tax effects of significant temporary differences at December 31, 1993, were as follows:

Year ended December 31 (in millions)	1993
Property, plant and equipment	\$(155.8)
Timber and timberlands	(148.6)
Inventories	4.0
Accrued liabilities	16.1
Benefit of foreign NOL carryover	10.3
Benefit of foreign ITC carryover	65.7
Other	(1.1)
Valuation allowance	(55.4)
	-----
	\$(264.8)
	=====

L-P's subsidiary, Louisiana-Pacific Canada Ltd. (LPC), has unrealized foreign investment tax credits (ITC) of approximately C\$87 million. These credits can be carried forward to offset future tax of LPC. However, these credits expire C\$10 million in 1996, C\$5 million in 1997, C\$20 million in 1999, C\$6 million in 2000 and C\$46 million in 2001. In addition, LPC has net operating loss (NOL) carryovers of C\$36 million. These NOL carryovers expire C\$22 million in 1996, C\$5 million in 1997, and C\$9 million which will not expire.

The following table summarizes the differences between the statutory federal and effective tax rate:

Year ended December 31	1993	1992	1991
Federal tax rate	35%	34%	34%
Tax-exempt investment income	(1)	(1)	(3)
State income taxes	4	4	4
Fines	1	1	—
Other	1	—	1
	-----	-----	-----
	40%	38%	36%
	=====	=====	=====

Marketable Securities and Securities Transactions

The balance sheet caption "Investments and Other Assets" includes marketable equity securities which are carried at the lower of aggregate quoted market value or cost. Unrealized losses

NOTES TO FINANCIAL STATEMENTS

on noncurrent marketable equity securities and related income tax effects are accumulated in the other equity adjustment component of stockholders' equity. Realized gains or losses are computed based on actual transaction prices of the securities sold and are reflected in income in the period in which the transaction occurred. At December 31, 1993, the carrying value of these securities approximates the market value.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars at the exchange rate on the balance sheet date. Revenues, costs, and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are shown separately in stockholders' equity.

OTHER NOTES TO FINANCIAL STATEMENTS

Accounts Payable and Accrued Liabilities

December 31 (in millions)	1993	1992
Accounts payable	\$ 78.6	\$ 69.9
Salaries and wages payable	19.4	19.9
Taxes other than income taxes	13.3	10.9
Workers' compensation	11.5	11.6
Other accrued liabilities	26.4	33.3
	-----	-----
	\$149.2	\$145.6
	=====	=====

NOTES TO FINANCIAL STATEMENTS

Long-Term Debt (in millions)	12/31/93	Interest Rate at December 31, 1993    1992	
Project Bank Financings --			
Chetwynd, B.C. pulpmill, payable semi-annually 1994-1996, balance due in 1996, interest rate variable	4.0%	\$ 98.0	\$116.0
Nova Scotia fiber gypsum plant, payable in 1997 and 1998, interest rate variable	2.3	34.7	34.7
Sunpine Forest Products, Sundre, Alberta, interest rate variable	4.15	7.8	--
Project Revenue Bond Financings --			
Ketchikan, AK, payable in 1995, interest rate variable	3.8	10.7	10.7
Newberry, MI, payable in 2009, interest rate variable	3.8	7.6	7.6
Two Harbors, MN, payable in 2004, interest rate variable	3.8	8.0	8.0
Wilmington, NC, payable in 1999, interest rate variable	4.3	10.0	10.0
Other, payable in varying amounts 1994-2000, interest rates fixed	6.8-7.0	.7	1.0
Employee Stock Ownership Trust (ESOT) Loans			
Hourly ESOT, payable annually 1994-1999, interest rate fixed	8.3	42.5	51.0
Salaried ESOT, payable annually 1994-1999, interest rate variable	3.1	30.0	36.0
Santa Fe Industries, Inc., acquisition debt, payable semi-annually 1994-1995, interest rate variable	4.1	36.3	108.7
Other installment notes and contracts, payable in varying amounts 1994-1999, interest rates vary	4.3-9.0	2.3	2.6
		-----	-----
		\$288.6	\$386.3
		=====	=====

NOTES TO FINANCIAL STATEMENTS

The carrying amounts of L-P's long-term debt approximates fair market value since the debt is primarily variable rate debt.

Debt is generally unsecured except for the Santa Fe Industries debt which is secured by the stock of Kirby Forest Industries, Inc. The Sunpine Forest Products debt is secured by the assets of Sunpine and also guaranteed by L-P. The debt represents 100 percent of Sunpine's obligations, however, L-P Canada Ltd. is a 50 percent joint venture partner. Other installment notes and contracts were incurred primarily through acquisitions of plants and timber.

Many of L-P's loan agreements contain lender's standard covenants and restrictions. L-P was in compliance with all of the covenants and restrictions of these agreements during 1993 and 1992.

L-P has a \$100 million revolving credit facility with a group of banks. Any borrowings under the credit facility will be due and payable in 1994. The interest rate to be used for the credit line is based on one of three variable interest rate formulas. L-P pays a commitment fee on the unused credit line. There were no borrowings in 1993 or 1992.

The weighted average interest rate for all debt at December 31, 1993, and 1992 was 4.3 percent and 4.6 percent. Required repayment of principal for long-term debt is as follows:

Year ended December 31 (in millions)

1994	\$105.5
1995	87.7
1996	95.6
1997	20.3
1998	44.4
1999 and after	40.6
	-----
	\$394.1
	=====

Retirement Plans

L-P maintains tax-qualified Employee Stock Ownership Trusts (ESOTs), for salaried and certain hourly employees under which 10 percent and 5 percent, respectively, of the eligible employees' annual earnings is contributed to the plans. Approximately 11,000 L-P employees participate in the ESOTs. Fully funded defined benefit plans also supplement the hourly employees' retirement package.

NOTES TO FINANCIAL STATEMENTS

ESOT contributions were as follows:

Year ended December 31 (in millions)	1993	1992	1991
Compensation expense	\$18.0	\$16.8	\$15.5
Interest incurred on ESOT debt	5.6	7.2	8.9
Less dividends paid on ESOT shares	(3.5)	(3.7)	(3.9)
	-----	-----	-----
Total contribution	\$20.1	\$20.3	\$20.5
	=====	=====	=====

L-P has a number of pension plans covering its hourly employees. Contributions to its defined benefit plans are based on actuarial calculations of amounts to cover current pension and amortization of prior service cost over periods ranging from 10 to 20 years. Contributions to multi-employer defined benefit plans are specified in applicable collective bargaining agreements.

The status of L-P administered pension plans are as follows:

December 31 (in millions)	1993	1992
Accumulated benefit obligation		
Vested portion	\$ 86.3	\$ 73.1
Non-vested portion	3.3	3.7
	-----	-----
Total	89.6	76.8
Effect of future compensation	9.5	8.5
	-----	-----
Projected benefit obligation	99.1	85.3
Plan assets	118.3	114.1
	-----	-----
Net funded status	19.2	28.8
Unrecognized (asset) obligation at transition	(19.2)	(21.6)
Unrecognized prior service	.5	.2
Unrecognized net loss in past service	8.2	1.6
	-----	-----
Net prepaid pension expense	\$ 8.7	\$ 9.0
	=====	=====

The actuarial assumptions used to determine pension expense and the funded status of the plans for 1993 and 1992 were: a discount rate on benefit obligations of 7.5 percent in 1993 and 8.75 percent in 1992, a 3.0 percent increase in future compensation levels in 1993 for active participants and 4.0 percent in 1992, and

NOTES TO FINANCIAL STATEMENTS

an 8.75 percent expected long-term rate of return on plan assets in 1993 and 9.5 percent in 1992.

The assets of the plans at December 31, 1993, and 1992 consist mostly of government obligations, and minor amounts in cash or cash equivalents.

Pension expense included the following components:

Year ended December 31 (in millions)	1993	1992	1991
Benefits earned by employees	\$ 3.9	\$ 3.5	\$ 3.5
Interest cost on projected benefit obligation	7.4	6.7	5.3
Return on plan assets	(9.4)	(9.6)	(7.5)
Net amortization and deferral	(2.4)	(2.4)	(1.8)
	-----	-----	-----
Net pension income	(.5)	(1.8)	(.5)
Contributions to multi-employer pension plans	.6	.6	.4
	-----	-----	-----
Net pension expense (income)	\$ .1	\$ (1.2)	\$ (.1)
	=====	=====	=====

During the first quarter of 1993, the Company adopted the Financial Accounting Standards Board Statement No. 106, "Employers' Accounting for Post-retirement Benefits Other Than Pensions." The standard requires employers to record the cost of non-pension retirement benefits during the working years of the employee. Adoption of this standard resulted in a one-time charge of \$3.2 million or three cents per share, net of \$1.9 million in income taxes, to first quarter 1993 earnings. Additional future costs associated with adopting this new standard are not expected to be material.

In November 1992, the Financial Accounting Standards Board issued Statement No. 112, "Employers' Accounting for Post-employment Benefits." L-P does not generally provide post-employment benefits, and therefore adoption of this statement will not have a material effect on the financial statements.

Stock Options and Plans

L-P grants options to key employees to purchase L-P common stock. Options are granted at 85 to 100 percent of market price. The options become exercisable 20 percent per year beginning one year after the grant date and expire 10 years after the date of grant. The options outstanding at December 31, 1993, are exercisable 1,397,242 shares in 1994, 614,210 shares in 1995, 595,380 shares in 1996, 143,190 shares in 1997, and 50,640 shares



NOTES TO FINANCIAL STATEMENTS

in 1998. Shares available for granting of options at December 31, 1993, and 1992 were 596,850 and 798,750.

Changes during 1993 in options outstanding and exercisable were as follows:

(Dollar amounts in millions except per share) at		Market Value			
		Option Price		Date of Grant	
or				When	
Exercisable				or Exercised	
Total	Number of Shares	Per Share	Total	Share	Share
Options outstanding at					
January 1, 1993	2,885,552	\$ 7-20	\$32.6	\$ 7-23	\$57.2
Options granted	254,200	30	7.6	35	8.9
Options exercised	(289,760)	9-19	(3.9)	30-45	(11.1)
Options canceled	(49,330)	10-30	(.7)	NA	NA
	-----	-----	-----	-----	-----
Options outstanding at					
December 31, 1993	2,800,662	\$ 7-30	\$35.6	\$ 7-35	\$55.0
	=====	=====	=====	=====	=====
Options exercisable					
during 1993	559,575	\$10-20	\$ 9.5	\$30-35	\$22.9
	=====	=====	=====	=====	=====

L-P also grants awards under the Louisiana-Pacific Corporation Key Employee Restricted Stock Plan. Shares available for grant at December 31, 1993, were 2,491,500. The shares are issued, at no cost to the employee, only after performance criteria are met. In 1992, the performance criteria was met, and 212,250 shares were issued in 1993. The compensation expense for these shares was recorded in 1992, based on the year-end value, and the additional expense of the value at issuance was recorded in 1993. In 1993, the performance criteria was also met, which resulted in 352,500 shares issued in December of 1993, and 90,000 shares to be issued in 1994. The compensation expense for the shares to be issued in 1994 was recorded in 1993, based on the year-end value.

NOTES TO FINANCIAL STATEMENTS

Changes during 1993 in the Restricted Stock Plan shares were as follows:

(Dollar amounts in millions except per share)	Number of Shares	Market Value at Date of Issue	
		Per Share	Total
Outstanding at January 1, 1993	1,224,750	NA	NA
Granted	360,000	NA	NA
Issued	(564,750)	37.75	29.2
Canceled	(60,000)	NA	NA
	-----		
Outstanding at December 31, 1993	960,000	NA	NA
	=====		

L-P offers employee stock purchase plans to all employees. Under the plans, employees may subscribe to purchase shares of L-P stock over 24 months at 85 percent of the market price. At December 31, 1993, 517,336 shares and 567,830 shares were subscribed at \$29.91 and \$19.12 per share under the 1993 and 1992 Employee Stock Purchase Plans. On April 30, 1993, L-P issued 264,165 shares to employees at an average price of \$17.35 upon completion of the purchase period for the 1991 Employee Stock Purchase Plan.

Litigation; Environmental Matters

In 1992, as part of an overall industry inquiry, L-P and Kirby Forest Industries, a wholly owned L-P subsidiary, received notices of violation from the U.S. Environmental Protection Agency (EPA) against fifteen of its manufacturing facilities. During 1993, L-P reached a precedent-setting environmental settlement with the EPA, which called for L-P and Kirby Forest Industries to pioneer pollution control technology for the entire wood panel products industry. The agreement also required L-P to pay an \$11.1 million civil penalty to the Federal government. The payment was made on November 1, 1993, but had been substantially accrued for 1992.

L-P has been informed that it and one or more of its employees are the subjects of separate federal grand jury investigations regarding air emissions at its Montrose, Colorado, plant and wastewater discharges at its Ketchikan Pulp Company subsidiary's pulp mill. The investigations have not been completed and no charges against the company or any of its employees have been made. Also, Ketchikan Pulp Company is the subject of a civil enforcement action alleging violations of the Clean Water Act and

## NOTES TO FINANCIAL STATEMENTS

Clean Air Act. Settlement of this action will likely involve fines and future capital expenditures for environmental projects.

Certain of L-P's plant sites are suspected of having substances in the ground or in the groundwater that are considered pollutants. Under the direction of the company's Department of Environmental Affairs, corrective action or plans for corrective action are underway. Where the pollutants were caused by previous owners of the property, L-P is vigorously pursuing those parties through legal channels.

In 1991, L-P reached an agreement with the EPA relating to past violations of wastewater discharge limits from L-P's Samoa, California pulpmill. The amount of the settlement was \$3 million, which L-P expensed in the second quarter of 1991.

Although L-P's corporate policy is to comply with all applicable laws, the company has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Also, the items discussed above could result in fines or penalties against the company. However, management believes that any fines or penalties resulting from the matters discussed above will not have a material adverse effect on the business, financial position or results of operations of L-P.

### Other Matters

L-P and its subsidiaries are party to other legal proceedings. Management believes that the outcome of such proceedings will not have a material adverse effect on the business, financial position or results of operations of L-P.

### Commitments; Timber Cutting Contracts

L-P is obligated to purchase timber under cutting contracts, primarily with the U.S. Forest Service, which extend to 2004.

NOTES TO FINANCIAL STATEMENTS

The table below presents L-P's best estimate of its commitment under timber cutting contracts.

Year ended December 31 (in millions)

1994	\$ 7.4
1995	3.1
1996	5.4
1997	5.8
1998	.7
1999 and after	170.4
	-----
	\$192.8
	=====

Leases

The table below presents L-P's future minimum rental payments under non-cancelable operating leases.

Year ended December 31 (in millions)

1994	\$ 5.1
1995	3.4
1996	1.8
1997	1.3
1998	.6
1999 and after	1.0
	-----
	\$ 13.2
	=====

Payments under all operating leases that were charged to rental expense during 1993, 1992, and 1991 were \$7.1 million, \$8.7 million and \$6.8 million.

Other

During 1994, L-P plans expenditures of about \$325-350 million for plant additions and improvements, timber and logging roads.

Industry Segment Information

L-P operates in two major industry segments. The major products included in each segment are detailed further on page 5. Intersegment sales are chips transferred from company-owned building products plants to company-owned pulp mills. All transfers are made at prevailing market prices. Timber and related assets and capital expenditures for such assets have not been allocated to the industry segments as these are a prime source of raw materials for both segments. The cost of logs delivered to the plants and residual fibers are included in the operating results of the segments.

Export sales were primarily to customers in the Far East, Europe and Canada.

NOTES TO FINANCIAL STATEMENTS

Information about L-P's industry segments is as follows:

Year ended December 31 (in millions)	1993	1992	1991
Total sales			
Building products	\$2,434	\$2,013	\$1,547
Pulp	85	185	170
Intersegment sales to pulp	(8)	(13)	(15)
	-----	-----	-----
Total sales	\$2,511	\$2,185	\$1,702
	=====	=====	=====
Operating profit (loss)			
Building products	\$ 562	\$ 364	\$ 139
Pulp	(59)	(20)	(3)
	-----	-----	-----
Total operating profit	503	344	136
	-----	-----	-----
Unallocated expense, net	(70)	(47)	(30)
Interest expense, net	(5)	(14)	(19)
	-----	-----	-----
Income before taxes	\$ 428	\$ 283	\$ 87
	=====	=====	=====
Identifiable assets			
Building products	\$1,040	\$ 934	\$ 889
Pulp	423	403	400
Timber, timberlands, logging equipment and roads	710	568	577
Unallocated assets	293	301	241
	-----	-----	-----
Total assets	\$2,466	\$2,206	\$2,107
	=====	=====	=====
Depreciation, amortization and cost of timber harvested			
Building products	\$ 157	\$ 137	\$ 127
Pulp	21	22	18
Capital expenditures			
Building products	144	90	47
Pulp	46	33	80
Timber, timberlands, logging equipment and roads	118	62	73

Information about L-P's geographic segments is as follows:

Year ended December 31 (in millions)	1993	1992	1991
Total sales			
U.S.	\$2,482	\$2,153	\$1,685
Canada	83	71	40
Intersegment sales to U.S.	(54)	(39)	(23)
	-----	-----	-----
Total sales	\$2,511	\$2,185	\$1,702
	=====	=====	=====
Export sales (included above)	\$ 252	\$ 339	\$ 315
	=====	=====	=====
Operating profit (loss)			
U.S.	\$ 479	\$ 324	\$ 138
Canada	24	20	(2)
	-----	-----	-----
Total operating profit	\$ 503	\$ 344	\$ 136
	=====	=====	=====
Identifiable assets			
U.S.	\$2,116	\$1,911	\$1,826
Canada	341	295	281
Mexico	9	--	--
	-----	-----	-----
Total assets	\$2,466	\$2,206	\$2,107
	=====	=====	=====

Report of Independent Public Accountants

To the Stockholders and Board of Directors of  
Louisiana-Pacific Corporation:

We have audited the accompanying consolidated balance sheets of Louisiana-Pacific Corporation (a Delaware corporation) and subsidiaries as of December 31, 1993, and 1992, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana-Pacific Corporation and subsidiaries as of December 31, 1993, and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in the notes to the consolidated financial statements, effective January 1, 1993, the Company changed its methods of accounting for income taxes and post-retirement benefits other than pensions.

Arthur Andersen & Co.  
Portland, Oregon  
February 4, 1994

Report of Management

The management of Louisiana-Pacific Corporation has prepared the consolidated financial statements and related financial data contained in this Report. The financial statements were prepared in accordance with generally accepted accounting principles appropriate in the circumstances and by necessity include some amounts determined using management's best judgments

and estimates with appropriate consideration to materiality. Management is responsible for the integrity and objectivity of the financial statements and other financial data included in the report. To meet this responsibility management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that accounting records are reliable. Management supports a program of internal audits and internal accounting control reviews to provide assurance that the system is operating effectively.

The Board of Directors pursues its responsibility for reported financial information through its Audit Committee, composed of five outside directors. The Audit Committee meets periodically with management, the internal auditors and the independent public accountants to review the activities of each.

/s/ HARRY A. MERLO

Chairman and President

/s/ WILLIAM L. HEBERT

Treasurer and Chief Financial Officer

February 4, 1994

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

#### PART III

ITEM 10. Directors and Executive Officers of the Registrant

Information regarding the directors of the registrant is incorporated herein by reference to the material included under the caption "Item 1--Election of Directors" and "General" in the definitive proxy statement to be filed by the registrant for its 1994 annual meeting of stockholders (the "1994 Proxy Statement"). Information regarding the executive officers of the registrant is located in Part I of this report under the caption "Executive Officers of the Registrant."



ITEM 11. Executive Compensation

Information regarding executive compensation is incorporated herein by reference to the material under the captions "Compensation Committee--Interlocks and Insider Participation," "Summary Compensation Table," "Aggregated Option/SAR Exercises in Last Fiscal year and Fiscal year-End Options/SAR Values," and "Director's Compensation," in the 1994 Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the material under the caption "Holders of Common Stock" in the 1994 Proxy Statement.

ITEM 13. Certain Relationships and Related Transactions

Information regarding management transactions is incorporated herein by reference to the material under the captions "Compensation Committee--Interlocks and Insider Participation" and "Management Transactions" in the 1994 Proxy Statement.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

A. Financial Statements and Financial Statement Schedules

The financial statements included in this report and the financial statement schedules filed as part of this report are listed in the accompanying index to financial statements and schedules.

B. Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1993.

C. Exhibits

The exhibits filed as part of this report or incorporated by reference herein are listed in the accompanying exhibit index. Each management contract or compensatory plan or arrangement is identified in the index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Louisiana-Pacific Corporation, a Delaware corporation (the "registrant"), has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 29, 1994      LOUISIANA-PACIFIC CORPORATION  
(Registrant)

/s/ WILLIAM L. HEBERT  
William L. Hebert  
Treasurer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date	Signature and Title
March 29, 1994	/s/ HARRY A. MERLO Harry A. Merlo Chairman, President and Director (Principal Executive Officer)
March 29, 1994	/s/ JAMES EISSES James Eisses Executive Vice President and Director
March 29, 1994	/s/ WILLIAM L. HEBERT William L. Hebert Treasurer (Principal Financial Officer)

Date	Signature and Title
March 29, 1994	/s/ JAMES F. ELLISOR James F. Ellisor Controller, Operations (Principal Accounting Officer)
March 29, 1994	/s/ PIERRE S. DU PONT IV Pierre S. du Pont IV Director
March 29, 1994	/s/ BONNIE F. GUITON Bonnie F. Guiton Director
March 29, 1994	/s/ DONALD R. KAYSER Donald R. Kayser Director
March 29, 1994	/s/ FRANCINE I. NEFF Francine I. Neff Director
March 29, 1994	/s/ CHARLES E. YEAGER Charles E. Yeager Director

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

Financial Statements:

Consolidated Balance Sheets--December 31, 1993, and 1992.

Consolidated Statements of Income--years ended December 31, 1993, 1992, and 1991.

Consolidated Statements of Cash Flows--years ended December 31, 1993, 1992, and 1991.

Consolidated Statements of Stockholders' Equity--years ended December 31, 1993, 1992, and 1991.

Notes to Financial Statements.

Report of Independent Public Accountants.

Financial Statement Schedules:

Report of Independent Public Accountants Covering  
Financial Statement Schedules

- V - Property, Plant and Equipment
- VI - Accumulated Depreciation, Depletion  
and Amortization of Property, Plant  
and Equipment
- IX - Short-Term Borrowings
- X - Supplementary Income Statement  
Information

All other financial statement schedules are omitted because they are not applicable or not required.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS  
ON FINANCIAL STATEMENT SCHEDULES

To the Stockholders and Board of Directors of Louisiana-Pacific Corporation:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in this Form 10-K, and have issued our report thereon dated February 4, 1994. Our report on the financial statements includes an explanatory paragraph with respect to the change in the method of accounting for income taxes and postretirement benefits other than pensions. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedules listed in the index to financial statements and schedules are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Portland, Oregon  
February 4, 1994

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
PROPERTY, PLANT AND EQUIPMENT  
SCHEDULE V  
(Dollar Amounts in Millions)

Classification	Balance at beginning of period	Additions at cost	Sales and retirements	Amortization and cost of timber harvested credited to assets and charged to income	Other Adjustments	Balance at end of period
<b>1991</b>						
Property, plant and equipment at cost:						
Land, improvements and logging roads	\$ 130.1	\$ 25.9	\$ (0.2)	\$ (19.3)	\$ (0.1)	\$ 136.4
Buildings	166.5	39.1	(1.0)	---	---	204.6
Machinery and equipment	1,278.3	244.5	(36.5)	---	---	1,486.3
Construction in progress	198.8	(157.2)	---	---	---	41.6
	-----	-----	-----	-----	-----	-----
	1,773.7	152.3	(37.7)	(19.3)	(0.1)	1,868.9
Timber and timberlands at cost less cost of timber harvested	518.3	49.6	---	(35.2)	---	532.7
	-----	-----	-----	-----	-----	-----
	\$2,292.0	\$ 201.9	\$ (37.7)	\$ (54.5)	\$ (0.1)	\$2,401.6
	=====	=====	=====	=====	=====	=====
<b>1992</b>						
Property, plant and equipment at cost:						
Land, improvements and logging roads	\$ 136.4	\$ 25.8	\$ (1.7)	\$ (22.2)	\$ (0.5)	\$ 137.8
Buildings	204.6	11.8	(2.8)	---	(3.8)	209.8
Machinery and equipment	1,486.3	89.8	(32.6)	---	(22.0)	1,521.5
Construction in progress	41.6	34.0	---	---	---	75.6
	-----	-----	-----	-----	-----	-----
	1,868.9	161.4	(37.1)	(22.2)	(26.3)	1,944.7
Timber and timberlands at cost less cost of timber harvested	532.7	40.1	---	(41.6)	---	531.2
	-----	-----	-----	-----	-----	-----
	\$2,401.6	\$ 201.5	\$ (37.1)	\$ (63.8)	\$ (26.3)	\$2,475.9
	=====	=====	=====	=====	=====	=====
<b>1993</b>						
Property, plant and equipment at cost:						
Land, improvements and logging roads	\$ 137.8	\$ 27.5	\$ (1.8)	\$ (21.8)	\$ 2.1	\$ 143.8
Buildings	209.8	5.5	(3.9)	---	(0.3)	211.1
Machinery and equipment	1,521.5	127.5	(20.6)	---	3.2	1,631.6
Construction in progress	75.6	47.9	---	---	2.8	126.3
	-----	-----	-----	-----	-----	-----
	1,944.7	208.4	(26.3)	(21.8)	7.8	2,112.8
Timber and timberlands at cost less cost of timber harvested	531.2	81.5	(0.3)	(50.2)	111.3	673.5
	-----	-----	-----	-----	-----	-----
	\$2,475.9	\$ 289.9	\$ (26.6)	\$ (72.0)	\$ 119.1	\$2,786.3
	=====	=====	=====	=====	=====	=====

1993 other adjustments includes entries made for adoption of SFAS No. 109, "Accounting for Income Taxes."

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION  
OF PROPERTY, PLANT AND EQUIPMENT  
SCHEDULE VI  
(Dollar Amounts in Millions)

Classification	Balance at beginning of period	Additions charged to costs and expenses	Sales and retirements	Other Adjustments	Balance at end of period
<b>1991</b>					
Land improvements	\$ 29.8	\$ 3.7	\$ (0.1)	\$ ---	\$ 33.4
Buildings	71.1	7.5	(0.6)	---	78.0
Machinery and equipment	636.0	84.1	(28.7)	---	691.4
	-----	-----	-----	-----	-----
	\$736.9	\$ 95.3	\$(29.4)	\$ 0.0	\$802.8
	=====	=====	=====	=====	=====
<b>1992</b>					
Land improvements	\$ 33.4	\$ 3.8	\$ (0.5)	\$ (0.1)	\$ 36.6
Buildings	78.0	8.8	(1.2)	(0.2)	85.4
Machinery and equipment	691.4	86.6	(24.0)	(1.6)	752.4
	-----	-----	-----	-----	-----
	\$802.8	\$ 99.2	\$(25.7)	\$ (1.9)	\$874.4
	=====	=====	=====	=====	=====
<b>1993</b>					
Land improvements	\$ 36.6	\$ 4.3	\$ (1.0)	\$ ---	\$ 39.9
Buildings	85.4	9.5	(3.1)	(0.3)	91.5
Machinery and equipment	752.4	97.4	(18.1)	3.8	835.5
	-----	-----	-----	-----	-----
	\$874.4	\$111.2	\$(22.2)	\$ 3.5	\$966.9
	=====	=====	=====	=====	=====

NOTES:

Reference is made to the notes to financial statements entitled "Property, Plant and Equipment Policies" and "Income Tax Policies" for accounting practices concerning depreciation. Depreciation charged to income is shown in Schedule X.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
SHORT - TERM BORROWINGS  
SCHEDULE IX  
(Dollar Amounts in Millions)

Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period	Weighted average interest rate during the period
1991 Short-term borrowings	\$27.6	5.2%	\$27.6	\$11.7	6.1%
1992 Short-term borrowings	\$37.2	3.9%	\$37.5	\$37.1	4.6%
1993 Short-term borrowings	\$41.7	4.0%	\$41.7	\$37.6	3.9%

NOTES:

Short-term borrowings were incurred in varying amounts and maturities at the interest rate prevailing at the time of sale.

The average amount outstanding and weighted average interest rate during the period is based on the balance and interest rates outstanding each day.



LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 SUPPLEMENTARY INCOME STATEMENT INFORMATION  
 SCHEDULE X  
 (Dollar Amounts in Millions)

	1991	1992	1993
	-----	-----	-----
Maintenance and repairs	\$120.1 =====	\$140.4 =====	\$138.9 =====
Depreciation and amortization	\$114.6	\$121.4	\$133.0
Cost of timber harvested	35.2 -----	41.6 -----	50.2 -----
	\$149.8 =====	\$163.0 =====	\$183.2 =====
Taxes, other than payroll and income taxes:			
Real and personal property	\$ 18.2	\$ 19.8	\$ 20.9
Other	5.6 -----	5.3 -----	7.0 -----
	\$ 23.8 =====	\$ 25.1 =====	\$ 27.9 =====

EXHIBIT INDEX

On written request, the registrant will furnish to any record holder or beneficial holder of the registrant's common stock any exhibit to this report upon the payment of a fee equal to the registrant's costs of copying such exhibit plus postage. Any such request should be sent to: Pamela A. Selis, Director of Corporate Communications, Louisiana-Pacific Corporation, 111 S.W. Fifth Avenue, Portland, Oregon 97204.

Items identified with an asterisk (\*) are management contracts or compensatory plans or arrangements.

Exhibit	Description of Exhibit	Sequential Page Number
3.A	Restated Certificate of Incorporation of the registrant as amended to date. Incorporated by reference to Exhibit 3(a) to the registrant's Form 10-Q report for the second quarter of 1993.	
3.B	Bylaws of the registrant as amended to date. Incorporated by reference to Exhibit 3(b) to the registrant's Form 10-Q report for the second quarter of 1993.	
4.A	The registrant's secured note dated December 22, 1986, in the principal amount of \$290,000,000 payable to Santa Fe Industries, Inc. Incorporated by reference to Exhibit 2.B to the registrant's Form 8-K report dated as of December 22, 1986 (File No. 1-7107).	
4.B	Amendment No. 1 to Secured Note (Exhibit 4.A). Incorporated by reference to Exhibit 4.B to the registrant's Form 10-K report for 1988.	
4.C	Rights Agreement as Restated as of February 3, 1991, between the registrant and First Chicago Trust Company of New York as Rights Agent. Incorporated by reference to Exhibit 4 to the registrant's Form 8-K report dated as of March 18, 1991.	

Pursuant to Item 601 (b)(4)(iii) of Regulation S-K, the registrant is not filing certain instruments with respect to its long-term debt because the amount authorized under any such instrument does not exceed 10 percent of the total consolidated assets of the registrant at December 31, 1993. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

Exhibit	Description of Exhibit	Sequential Page Number
10.A	The registrant's 1984 Employee Stock Option Plan as amended to date. Incorporated by reference to Exhibit 10.B to the registrant's Form 10-K report for 1989.*	
10.B	The registrant's 1991 Employee Stock Option Plan. Incorporated by reference to Exhibit 10.B to the registrant's Form 10-K report for 1990.*	
10.C	1992 Non-Employee Director Stock Option Plan and Related Form of Option Agreement. Incorporated by reference to Exhibit 10.C to the registrant's Form 10-K report for 1992.*	
10.D	Deferred cash bonus agreement dated May 5, 1986, between the registrant and Harry A. Merlo; and deferred cash bonus agreement dated February 2, 1987, between the registrant and Harry A. Merlo. Incorporated by reference to Exhibit 10.D to the registrant's Form 10-K report for 1986 (File No. 1-7107).*	
10.E	Louisiana-Pacific Corporation Directors' Deferred Compensation Plan. Incorporated by reference to Exhibit 10.F to the registrant's Form 10-K report for 1986 (File No. 1-7107).*	
10.F(1)	Share Purchase Agreement dated as of December 3, 1986, between Santa Fe Industries, Inc., and the registrant. Incorporated by reference to Exhibit 2.A to the registrant's Form 8-K report dated as of December 22, 1986 (File No. 1-7107).	
10.F(2)	Pledge Agreement dated December 22, 1986, between the registrant and Santa Fe Industries, Inc. Incorporated by reference to Exhibit 2.C to the registrant's Form 8-K report dated as of December 22, 1986 (File No. 1-7107).	
10.F(3)	Amendment No. 1 to Pledge Agreement (Exhibit 10.F(2)). Incorporated by reference to Exhibit 10.F(3) to the registrant's Form 10-K report for 1988.	
10.G(1)	Agency Agreement dated as of December 22, 1986, among the registrant and ten banks, including Morgan Guaranty Trust Company of New York as administrative agent. Incorporated by reference to Exhibit 10.H(2) to the registrant's Form 10-K report for 1986 (File No. 1-7107).	

Exhibit	Description of Exhibit	Sequential Page Number
10.G(2)	Amendment No. 1 to Agency Agreement (Exhibit 10.G(1)). Incorporated by reference to Exhibit 10.G(2) to the registrant's Form 10-K report for 1988.	
10.H(1)	The registrant's Key Employee Restricted Stock Plan as amended. Incorporated by reference to Exhibit 10.H(1) to the registrant's Form 10-K report for 1990.*	
10.H(2)	Form of Restricted Stock Award Agreement under Exhibit 10.H(1). Incorporated by reference to Exhibit 10.H(2) to the registrant's Form 10-K report for 1992.*	
10.I	Lease and Option to Purchase between the registrant as Lessor and Harry A. Merlo as Lessee, as amended. Incorporated by reference to Exhibit 10.I to the registrant's Form 10-K report for 1988.	
10.J	Distribution Agreement dated as of May 23, 1988, between the registrant and Fibreboard Corporation. Incorporated by reference to Exhibit 2.B to the registrant's Form 8-K report dated as of May 23, 1988.	
10.K	The registrant's Supplemental Benefits Plan. Incorporated by reference to Exhibit 10.K to the registrant's Form 10-K report for 1989.*	
11	Louisiana-Pacific Corporation and Subsidiaries: Calculation of Net Income Per Share For the Year Ended December 31, 1993.	52
21	List of subsidiaries of the registrant.	53
23	Consent of Independent Public Accountants.	54



## EXHIBIT 11

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 CALCULATION OF NET INCOME PER SHARE  
 FOR THE YEAR ENDED DECEMBER 31, 1993

	Number of Shares Including Common Stock Equivalents -----	Excluding Common Stock Equivalents -----
Weighted average number of shares of common stock outstanding	116,933,591	116,933,591
Annualized weighted average number of shares of treasury stock held during the period	(7,264,403)	(7,264,403)
Common stock equivalents: Application of the "treasury stock" method to stock option and purchase plans	1,209,706 -----	---- -----
Weighted average number of shares of common stock and common stock equivalents	110,878,894 =====	109,669,188 =====
Rounded to	110,880,000 =====	109,670,000 =====
Income before cumulative effects of accounting changes	\$254,400,000	\$254,400,000
Cumulative effects of accounting changes, net of income taxes of \$1,940,000	(\$10,400,000) -----	(\$10,400,000) -----
Net income	\$244,000,000 =====	\$244,000,000 =====
Income before cumulative effects of accounting changes per share	\$2.29	\$2.32
Cumulative effects of accounting changes per share	(\$0.09) -----	(\$0.09) -----
Net income per share	\$2.20 =====	\$2.23 =====

Accounting Principles Board Opinion No. 15, "Earnings Per Share," allows companies to disregard dilution of less than 3 percent in the computation of earnings per share. Therefore, shares used in computing earnings per share for financial reporting purposes is 109,670,000 shares.

The number of shares and per share data have been retroactively adjusted for the two-for-one stock split declared May 4, 1993, to stockholders of record May 18, 1993.



SUBSIDIARIES OF THE REGISTRANT

The following table lists the registrant and each of its subsidiaries and the jurisdiction under the laws of which the registrant and each subsidiary is incorporated. Each subsidiary is identified underneath its immediate parent. Except as indicated, each subsidiary is 100 percent owned by its parent.

Name	Jurisdiction
Louisiana-Pacific Corporation	Delaware
Blue Skies Aviation, Inc.	Oregon
Ketchikan Pulp Company	Washington
Kirby Forest Industries, Inc.	Delaware
Louisiana-Pacific, S.A. de C.V.	Mexico
Louisiana Pacific de Mexico, S.A. de C.V.	Mexico
Louisiana-Pacific Canada Ltd.	British Columbia, Canada
Louisiana-Pacific Trucking Company	Oregon
L-P Foreign Sales Corporation	Guam
New Waverly Transportation, Inc.	Texas
Louisiana-Pacific de Venezuela, C.A.	Venezuela
Louisiana-Pacific Coillte Ireland Limited	Ireland
Sunpine Forest Products, Ltd. (50 percent)	Alberta, Canada
Rocky Forest Products Ltd.	Alberta, Canada
Lodgepole Logging Ltd.	Alberta, Canada
Pinetree Construction Co Ltd.	Alberta, Canada

EXHIBIT 21





CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into the Corporation's previously filed Registration Statement Nos. 2-97014, 33-42276, 33-50958, 33-60264, and 33-62944.

ARTHUR ANDERSEN & CO.

Portland, Oregon  
March 28, 1994

EXHIBIT 23

