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BUILDING PRODUCTS



# Louisiana-Pacific Corporation

Q2 2010 Financial Results

July 30, 2010

These slides were prepared and should be read in conjunction the earnings release by LP's management on July 30, 2010 relating to LP's financial condition and results of operations as of and for the quarter ended June 30, 2010. 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 July 30, 2010.

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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](http://www.lpcorp.com) under the Investor Relations Presentations section.

# Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	June 30, 2010	March 30, 2010	June 30, 2009
Net sales	\$ 447	\$ 297	\$ 267
Operating income (loss)	\$ 49	\$ (22)	\$ (32)
Income (loss) from continuing operations	\$ 24	\$ (23)	\$ (27)
Net income (loss)	\$ 22	\$ (23)	\$ (29)
Diluted EPS from continuing operations	\$ 0.17	\$ (0.18)	\$ (0.26)
Diluted EPS	\$ 0.16	\$ (0.18)	\$ (0.28)
Adjusted EBITDA from continuing operations	\$ 75	\$ 3	\$ (11)
Tax rate on continuing operations	35%	31%	37%
Average shares outstanding - basic	128.5	125.9	103.0
Average shares outstanding - diluted	139.8	125.9	103.0

# Financial Results – Year to Date

Dollar amounts in millions, except per share amounts

	Six months ended June 30,	
	2010	2009
Net sales	\$ 744	\$ 473
Operating income	\$ 26	\$ (75)
Income (loss) from continuing operations	\$ 1	\$ (58)
Net loss	\$ -	\$ (60)
Diluted EPS from continuing operations	\$ 0.01	\$ (0.55)
Diluted EPS	\$ -	\$ (0.58)
Adjusted EBITDA from continuing operations	\$ 78	\$ (36)
Tax rate on continuing operations	69%	38%
Average shares outstanding - basic	127.2	102.8
Average shares outstanding - diluted	138.2	102.8

# OSB

Dollar amounts in millions

	<u>Q2 10</u>	<u>Q1 10</u>	<u>Q2 09</u>	<u>Year to Date</u>	
				<u>2010</u>	<u>2009</u>
Sales	\$ 217	\$ 117	\$ 98	\$ 334	\$ 170
Profit (loss) <sup>a</sup>	\$ 48	\$ (5)	\$ (18)	\$ 43	\$ (43)
Adjusted EBITDA <sup>b</sup>	\$ 58	\$ 4	\$ (9)	\$ 62	\$ (26)
Percentage Changes:					
Sales		85%	122%		96%
Adjusted EBITDA		1249%	724%		338%
<u>Volume</u>		34%	24%		28%
<u>Price</u>		36%	78%		54%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations

# Siding

Dollar amounts in millions

			<u>Year to Date</u>		
	<u>Q2 10</u>	<u>Q1 10</u>	<u>Q2 09</u>	<u>2010</u>	<u>2009</u>
Sales	\$ 130	\$ 90	\$ 104	\$ 220	\$ 179
Profit <sup>a</sup>	\$ 22	\$ 9	\$ 7	\$ 30	\$ 9
Adjusted EBITDA <sup>b</sup>	\$ 27	\$ 14	\$ 11	\$ 41	\$ 18
Percentage Changes:					
Sales		45%	25%		23%
Adjusted EBITDA		99%	149%		130%
<u>Volume</u>					
SmartSide		49%	19%		23%
Canoxel		8%	(3%)		(12%)
<u>Price</u>					
SmartSide		-	2%		2%
Canoxel		(1%)	23%		22%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment

<sup>b</sup> Adjusted EBITDA from continuing operations

# Engineered Wood Products

Dollar amounts in millions

	<u>Year to Date</u>				
	<u>Q2 10</u>	<u>Q1 10</u>	<u>Q2 09</u>	<u>2010</u>	<u>2009</u>
Sales	\$ 56	\$ 49	\$ 36	\$ 105	\$ 66
Profit (loss) <sup>a</sup>	\$ (4)	\$ (7)	\$ (9)	\$ (11)	\$ (18)
Adjusted EBITDA <sup>b</sup>	\$ (1)	\$ (3)	\$ (6)	\$ (4)	\$ (12)
Percentage Changes:					
Sales		14%	55%		59%
Adjusted EBITDA		81%	89%		70%
<u>Volume</u>					
IJ		11%	29%		52%
LVL/LSL		18%	46%		46%
<u>Price</u>					
IJ		6%	7%		4%
LVL/LSL		5%	7%		6%

<sup>a</sup> Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment

<sup>b</sup> Adjusted EBITDA from continuing operations



# Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	June 30, <u>2010</u>	December 31, <u>2009</u>
Total cash and investments	\$ 487	\$ 441
Working capital	\$ 593	\$ 532
Net cash (debt)	\$ 210	\$ 163
Capital expenditures YTD (excludes investments in JVs)	\$ 5	
Book value per share	\$ 9.55	\$ 9.92

# Appendix

Note: Refer to LP Form 8K filed on July 30, 2010 for the reconciliation of EBITDA from continuing operations and Adjusted EBITDA from continuing operations

# Appendix

## Dollar amounts in millions

	June 30, 2010	December 31, 2009
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 800	\$ 839
Current liabilities	(207)	(307)
Working capital	\$ 593	\$ 532
 <u>Calculation of "Net Debt"</u>		
Long-term debt	\$ (706)	\$ (706)
Current portion of long term debt and short term notes payable	(60)	(61)
Current portion of limited recourse notes payable	-	(113)
Notes receivable from assets sales*	489	489
Current portion of notes receivable from assets sales*	-	113
Total cash and investments	487	441
Net cash and investments	\$ 210	\$ 163
 <u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 437	\$ 394
Restricted cash	16	21
Long-term investments	34	26
Total cash and investments	\$ 487	\$ 441

\* Portion of the notes receivable that equates to the limited recourse notes payable