SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For Quarterly Period Ended March 31, 2004
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

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

805 SW Broadway, Suite 1200, Portland, Oregon 97205-3303
(Address of principal executive offices) (Zip Code)

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

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 o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).Yes ☒ No o

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 108,801,575 shares of Common Stock, $1 par value, outstanding as of April 28, 2004.

Except as otherwise specified and unless the context otherwise requires, references to "LP", the "Company", "we", "us", and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.

ABOUT FORWARD-LOOKING STATEMENTS

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

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

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

- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products, including the effects of industry-wide increases in manufacturing capacity;
- changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, EURO and the Chilean peso;
- changes in general and industry-specific environmental laws and regulations;
- changes in circumstances giving rise to environmental liabilities or expenditures;

- the resolution of product-related litigation and other legal proceedings; and
- acts of God or public authorities, war, civil unrest, fire, floods, earthquakes and other matters beyond our control.

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

ABOUT THIRD PARTY INFORMATION

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

Item 1. Financial Statements.

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

	Quarter Ended March 31,	
	2004	**2003**
Net Sales	$ 695.3	$ 406.7
OPERATING COSTS AND EXPENSES		
Cost of sales	376.6	330.6
Depreciation, amortization and cost of timber harvested	33.3	31.9
Selling and administrative	42.9	36.6
(Gain) loss on sale or impairment of long-lived assets	9.6	(12.5)
Other operating credits and charges, net	6.7	—
Total operating costs and expenses	469.1	386.6
Income from operations	226.2	20.1
NON-OPERATING INCOME (EXPENSE)		
Interest expense, net of capitalized interest	(20.0)	(22.9)
Interest income	10.3	7.8
Foreign currency exchange gains (losses)	(0.3)	(1.9)
Gain (loss) on early extinguishment of debt	(40.0)	—
Total non-operating income (expense)	(50.0)	(17.0)
Income before taxes, minority interest, and equity in earnings of unconsolidated affliates	176.2	3.1
Provision for income taxes	64.4	1.1
Equity in earnings of unconsolidated affliates	(0.5)	—
Income from continuing operations before cumulative effect of change in accounting principle	112.3	2.0
DISCONTINUED OPERATIONS		
Loss from discontinued operations	(9.5)	(0.9)
Benefit for income taxes	(3.7)	(0.3)
Loss from discontinued operations	(5.8)	(0.6)
Income before cumulative effect of change in accounting principle	106.5	1.4
Cumulative effect of change in accounting principle, net of tax	—	0.1
Net income	$ 106.5	$ 1.5
Net income per share of common stock:		
Income from continuing operations	$ 1.04	$ 0.02
Income from discontinued operations	(0.05)	(0.01)
Cumulative effect of change in accounting principle	—	—
Net Income Per Share - Basic	$ 0.99	$ 0.01
Net income per share of common stock:		
Income from continuing operations	$ 1.03	$ 0.02
Income from discontinued operations	(0.05)	(0.01)
Cumulative effect of change in accounting principle	—	—
Net Income Per Share - Diluted	$ 0.98	$ 0.01

Average shares of common stock outstanding (in millions) - Basic	107.6	104.6
- Diluted	109.2	104.6

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

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

	March 31, 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$ 539.1	$ 925.9
Marketable securities	235.7	—
Receivables, net	198.3	136.1
Inventories	223.1	177.5
Prepaid expenses	6.8	11.1
Deferred income taxes	51.7	51.7
Current assets of discontinued operations	22.3	22.8
Total current assets	1,277.0	1,325.1
Timber and timberlands		
Forest licenses intangible assets	81.9	83.3
Deposits and other	12.0	11.5
Total timber and timberlands	93.9	94.8
Property, plant and equipment, at cost	1,792.4	1,778.3
Accumulated depreciation	(1,014.1)	(988.1)
Net property, plant and equipment	778.3	790.2
Goodwill	276.7	276.7
Other intangible assets, net of amortization	27.0	26.6
Notes receivable from asset sales	403.8	403.8
Restricted cash	111.1	110.7
Other assets	114.1	121.2
Long-term assets of discontinued operations	38.5	55.3
Total assets	$ 3,120.4	$ 3,204.4
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 9.2	$ 8.3
Accounts payable and accrued liabilities	244.3	251.3
Current portion of contingency reserves	49.0	43.0
Total current liabilities	302.5	302.6
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long-term debt	431.4	624.2
Total long-term debt, excluding current portion	827.9	1,020.7
Contingency reserves, excluding current portion	50.1	55.6
Deferred income taxes	423.8	407.7
Other long-term liabilities	76.1	106.9
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock	116.9	116.9
Additional paid-in capital	425.4	442.3
Retained earnings	1,119.3	1,018.1
Treasury stock	(151.6)	(195.2)
Accumulated comprehensive loss	(70.0)	(71.2)
Total stockholders' equity	1,440.0	1,310.9
Total liabilities and equity	$ 3,120.4	$ 3,204.4

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

Quarter Ended March 31,

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 106.5	$ 1.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and cost of timber harvested	34.3	35.6
(Gain) loss on sale or impairment on long-lived assets	21.7	(19.8)
Other operating charges and credits	3.0	—
Loss on early extingushment of debt	40.0	—
Exchange loss on remeasurement	(1.5)	5.8
Cash settlement of contingencies	(4.3)	(5.4)
Cumulative effect of change in accounting principle	—	(0.1)
Pension payments	(32.4)	(9.7)
Other adjustments	8.4	5.6
Increase in receivables	(56.9)	(42.5)
Increase in inventories	(45.1)	(16.5)
Decrease in prepaid expenses	4.3	4.2
Decrease in accounts payable and accrued liabilities	(8.2)	(7.3)
Increase in deferred taxes	16.6	—
Net cash provided by (used in) operating activities	86.4	(48.6)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment additions	(28.3)	(11.4)
Proceeds from timber & timberland sales, net	—	25.5
Proceeds from asset sales	3.7	29.1
Increase in restricted cash from asset sales	—	(36.1)
Increase in short term investments	(235.4)	—
Other investing activities, net	(1.1)	(1.1)
Net cash provided by (used in) investing activities	(261.1)	6.0
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under revolving credit facilities	—	4.0
Repayment of long-term debt	(228.1)	(31.6)
Sale of common stock under equity plans	22.7	—
Payment of cash dividend	(5.3)	—
Increase in restricted cash under LOCs	(1.4)	—
Other financing activities, net	—	(0.3)
Net cash used in financing activities	(212.1)	(27.9)
EFFECT OF EXCHANGE RATE ON CASH:	—	0.5
Net decrease in cash and cash equivalents	(386.8)	(70.0)
Cash and cash equivalents at beginning of period	925.9	137.3
Cash and cash equivalents at end of period	$ 539.1	$ 67.3

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended March 31,	
	2004	2003
Net income	$ 106.5	$ 1.5
Other comprehensive (loss) income, net of tax		
Foreign currency translation adjustments	—	(0.1)
Unrealized gain (loss) on marketable securities	0.3	—
Minimum pension liability adjustments	—	0.1
Unrealized gain on derivative instruments	0.9	1.0
Other comprehensive income, net of tax	1.2	1.0
Comprehensive income	$ 107.7	$ 2.5

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

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS FOR PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments, except for other operating credits and charges, net and (gain) loss on sale or impairment of long lived assets referred to in Notes 11 and 12) necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of LP and its subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

NOTE 2 - RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the current period presentation.

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share are based on the weighted average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted average number of shares of common stock outstanding plus all potentially dilutive securities which were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents (employee stock options and incentive shares) be excluded from the calculation of diluted earnings per share for the periods in which losses from continuing operations are reported because the effect is anti-dilutive. The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

Dollar and share amounts in millions, except per share amounts	Quarter Ended March 31, 2004	2003
Numerator:		
Income attributed to common shares:		
Income from continuing operations	$ 112.3	$ 2.0
Income (loss) from discontinued operations	(5.8)	(0.6)
Cumulative effect of change in accounting principle	—	0.1
Net income	$ 106.5	$ 1.5
Denominator:		
Basic - weighted average common shares outstanding	107.6	104.6
Dilutive effect of employee stock plans	1.6	—
Diluted shares outstanding	109.2	104.6
Basic earnings per share:		
Income from continuing operations	$ 1.04	$ 0.02
Income (loss) from discontinued operations	(0.05)	(0.01)
Effect of change in accounting principle	—	—
Net income per share	$ 0.99	$ 0.01
Diluted earnings per share:		
Income from continuing operations	$ 1.03	$ 0.02
Income (loss) from discontinued operations	(0.05)	(0.01)
Effect of change in accounting principle	—	—
Net income per share	$ 0.98	$ 0.01

Stock options to purchase approximately 0.2 million shares at March 31, 2004 and 5.9 million shares at March 31, 2003 were considered anti-dilutive or not in-the-money for purpose of LP's earnings per share calculation.

NOTE 4 – STOCK-BASED COMPENSATION

Stock options and other stock-based compensation awards are accounted for using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. See Note 10 of the Notes to the financial statements included in Item 8 of LP's Annual Report on Form 10-K for the year ended December 31, 2003 for further discussion of LP's stock plans. The following table illustrates the effect on net income per share as if LP had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

Dollars amounts in millions, except per share amounts	Quarter Ended March 31, 2004	2003
Net income, as reported	$ 106.5	$ 1.5
Add: Stock-based employee compensation included in reported net income (loss), net of related income tax effects	1.3	0.5

Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2.1)	(1.2)
Pro forma net income	$ 105.7	$ 0.8
Net income per share—basic, as reported	$ 0.99	$ 0.01
Net income per share— diluted, as reported	$ 0.98	$ 0.01
Net income per share—basic, proforma	$ 0.98	$ 0.01
Net income per share— diluted, proforma	$ 0.97	$ 0.01

NOTE 5 – INVENTORIES

Inventories are valued at the lower of cost or market. Inventory cost includes materials, labor and operating overhead. The LIFO (last-in, first-out) method is used for certain log and lumber inventories with remaining inventories valued at FIFO (first-in, first-out) or average cost. The major types of inventories (excluding discontinued operations) are as follows (work in process is not material):

Dollar amounts in millions

	March 31, 2004	December 31, 2003
Logs	$ 61.5	$ 39.7
Other raw materials	28.6	23.4
Finished products	124.3	105.7
Supplies	12.8	12.8
LIFO reserve	(4.1)	(4.1)
Total	$ 223.1	$ 177.5
Inventory included in current assets of discontinued operations		
Logs	$ 5.5	$ 9.6
Other raw materials	2.7	3.6
Finished products	13.3	11.3
Supplies	1.9	2.0
LIFO reserve	(1.1)	(3.7)
Total	$ 22.3	$ 22.8

The preparation of interim financial statements requires the estimation of LP's year-end inventory quantities and costs for purposes of determining LIFO inventory adjustments. These estimates are revised quarterly and the estimated incremental change in the LIFO inventory reserve is expensed over the remainder of the year, except that the LIFO inventory reserve associated with divested operations is adjusted as of the date of the divestiture.

NOTE 7 – INTANGIBLE ASSETS

LP has recorded intangible assets (other than goodwill) in its Consolidated Balance Sheets, as follows:

Dollar amounts in millions

	March 31, 2004	December 31, 2003
Forest licenses (recorded as part of Timber and timberlands)	$ 81.9	$ 83.3
Forest licenses (recorded as part of Long-term assets of discontinued operations)	5.9	9.3
Goodwill associated with equity investment in GreenFiber	16.6	16.6
SFAS No. 87 pension intangible asset	7.8	7.4
Other intangible assets	2.6	2.6
	27.0	26.6
Total intangible assets	$ 114.8	$ 119.2

Included in the balance of timber and timberlands are values allocated to Canadian forest licenses in the purchase price allocations for both Le Groupe Forex (Forex) and the assets of Evans Forest Products ($131 million at the dates of the acquisitions). These licenses have a life of twenty to twenty-five years and are renewable every five years. These licenses are amortized on a straight-line basis over the original life of the license. Activity during the first three months of 2004 was as follows:

Dollar amounts in millions	OSB	Engineered Wood Products	Other	Total
Balance as of December 31, 2003	$ 74.2	$ 5.5	$ 3.6	$ 83.3
Amortization during the quarter	(1.1)	(0.3)	—	(1.4)
Balance as of March 31, 2004	$ 73.1	$ 5.2	$ 3.6	$ 81.9

Annual estimated amortization for each of the next five years is $4.8 million per year.

NOTE 8 – BUSINESSES HELD FOR SALE AND DIVESTITURES

During 2002, LP announced that its board of directors had approved a plan to sell selected businesses and assets, including its plywood, commodity industrial panels, timber and timberlands, certain lumber mills, wholesale and distribution businesses, and included such businesses as discontinued operations. In 2003, LP announced further divestures of most of its remaining lumber mills as well as an interior hardboard panel operation. In 2004, LP announced that it intended to also sell its cedar lumber operation in British Columbia, Canada. At March 31, 2004, LP has three lumber operations and an interior hardboard panel operation classified as discontinued.

Sales and income (loss) for these businesses are as follows:

Dollar amounts in millions	Quarter ended March 31, 2004	Quarter ended March 31, 2003
Sales	$ 56.4	$ 109.6
Income (loss) from discontinued operations	$ (9.5)	$ (0.9)

Included in income (loss) from discontinued operations for the quarter ended March 31, 2004 is income of $2.6 million associated with the liquidation of certain LIFO inventories due to reduced log inventories at sites to be sold or closed.

In the first quarter of 2003, LP recorded a gain of $7.5 million on the sale of various assets previously held for sale and a loss of $0.5 million related to severance charges.

In the first quarter of 2004, LP recorded a loss of $9.9 million associated with impairment charges on assets held for sale including associated intangible timber rights. Additionally, LP recorded a loss of $2.1 million on the sale of a lumber facility in Idaho, a loss of $0.2 million related to severance charges and a loss of $0.4 million a timber contract associated with previously sold or close facilities.

The assets of the discontinued operations included in the accompanying condensed consolidated balance sheets as of March 31, 2004 and December 31, 2003 are as follows:

Dollar amounts in millions	March 31, 2004	December 31, 2003
Inventories	$ 22.3	$ 22.8
Timber and timberlands	6.4	12.6
Property, plant and equipment	69.5	87.3
Accumulated depreciation	(37.4)	(44.6)
Net, property, plant and equipment	32.1	42.7
Total long-term assets of discontinued operations	38.5	55.3
Total assets of discontinued operations	$ 60.8	$ 78.1

NOTE 9 – INCOME TAXES

The preparation of interim financial statements requires the estimation of LP's effective income tax rates based on estimated annual amounts of taxable income and expenses by income component for the year. This rate is applied to year-to-date income or loss at the end of each quarter. For the three months ended March 31, 2004, the primary differences between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to differences associated with non-taxable foreign currency exchange gains on certain intercompany debt that is denominated in Canadian dollars and a significant portion of income estimated to be taxable in foreign jurisdictions at lower tax rates.

The components and associated estimated effective income tax rates applied to each period are as follows:

	Quarter Ended March 31,			
	2004		2003	
Dollar amounts in millions	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	$ 64.4	37%	$ 1.1	35%
Discontinued operations	(3.7)	39%	(0.3)	39%
	$ 60.7	36%	$ 0.8	36%

NOTE 10 – MARKETABLE SECURITIES

LP's marketable securities are classified as available-for-sale as defined by SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" and are stated at estimated fair value. Unrealized gains and losses, net of tax, on these securities are reported as a separate component of accumulated comprehensive income (loss) in shareholders' equity until realized. Realized gains and losses are recorded within the statements of income under the caption other income or expense. For purposes of computing realized gains and losses, cost is identified on a specific identification basis. Investments consist primarily of commercial paper and certificates of deposit.

NOTE 11 - OTHER OPERATING CREDITS AND CHARGES, NET

The major components of "Other operating credits and charges, net" in the Consolidated Statements of Income for the quarter ended March 31 are reflected in the table below and are described in the paragraphs following the table:

Dollar amounts in millions	Quarter Ended March 31, 2004	2003
Reductions to environmental contingency reserves	$ 1.7	$ —
Charges associated with corporate relocation	(1.7)	—
Increase in litigation reserves	(6.0)	
Other	(0.7)	—
	$ (6.7)	$ —

In the first quarter of 2004, LP recorded a gain of $1.7 million associated with a reduction in its estimate of required environmental reserves at its former Alaska operations, a charge of $1.7 million associated with the relocation and consolidation of LP's corporate offices to Nashville, Tennessee, a charge of $6.0 million for the increase in litigation reserves due to an adverse court ruling and other items.

NOTE 12 –GAINS (LOSSES) ON SALE OR IMPAIRMENT OF LONG-LIVED ASSETS

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

Dollar amounts in millions	Quarter Ended March 31, 2004	2003
Gain on sales of timber	$ —	$ 12.5
Gain on other long-lived assets	0.1	—
Impairment charges on long-term assets	(9.7)	—
	$ (9.6)	$ 12.5

In the first quarter of 2003, LP recorded a gain of $12.5 million associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan.

In the first quarter of 2004, LP recorded a loss of $9.7 million associated with cancellation of a capital project to build a veneer mill in British Columbia and a gain of $0.1 million associated with the sale of other assets.

NOTE 13 – LEGAL AND ENVIRONMENTAL MATTERS

The description of certain legal and environmental matters involving LP set forth in Part II of this report under the caption "Legal Proceedings" is incorporated herein by reference.

NOTE 14 - CUMULATIVE EFFECT OF ACCOUNTING CHANGES

In June of 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. SFAS No. 143 was effective for LP beginning January 1, 2003. As part of this implementation, LP recognized a gain of $0.2 million (before taxes). This change was primarily associated with the treatment of the monitoring costs on closed landfills and timber reforestation obligations associated with LP's timber licenses in Canada.

NOTE 15 – SELECTED SEGMENT DATA

Operating Results:

Dollar amounts in millions	Quarter Ended March 31, 2004	2003	% change
Net sales:			
OSB	$ 455.3	$ 194.5	134
Composite Wood Products	104.1	88.7	17
Plastic Building Products	53.3	42.6	25
Engineered Wood Products	77.9	60.1	30
Other	8.5	24.7	(66)
Less: Intersegment sales	(3.8)	(3.9)	(3)
	$ 695.3	$ 406.7	71
Operating profit (loss):			
OSB	$ 254.1	$ 16.6	1431
Composite Wood Products	14.1	9.1	55
Plastic Building Products	2.7	3.0	(10)
Engineered Wood Products	(1.1)	(1.0)	(10)
Other	(1.3)	3.2	(141)
Other operating credits and charges, net	(0.7)	—	—

Gain (loss) on sale or impairment of long-lived assets	(9.6)	12.5	(177)
General corporate and other expenses, net	(26.0)	(23.3)	(12)
Foreign currency exchange gain (loss)	(0.3)	(1.9)	84
Gain (loss) on early debt extinguishment	(40.0)	—	—
Interest income (expense), net	(9.7)	(15.1)	36
Income before taxes, minority interest and equity in earnings of unconsolidated subsidiaries	$ 182.2	$ 3.1	5777

NOTE 16 – POTENTIAL IMPAIRMENTS

LP continues to review several mills for potential impairments. LP's management currently believes it has adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. However, should the markets for the products deteriorate to levels significantly below cycle average pricing or should LP decide to invest capital in alternative projects, it is possible that impairment charges will be required.

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

As part of the sale of the Samoa, California pulp mill to Samoa Pacific Cellulose LLC, there are several contingent liabilities, primarily concerning environmental remediation, associated with these operations that, under certain circumstances, could become LP's liabilities. LP has not fully recorded an accrual for these liabilities, as it does not believe payment is likely to occur.

LP's Canadian subsidiaries have arrangements with the Canadian provincial governments which give these subsidiaries the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses. Total timber under license in British Columbia (BC) is located on 7,900,000 acres. In March of 2003, the BC government announced major changes to the provincial timber license structure. These included a 20% reduction in the harvesting rights for holders of long-term licenses and the introduction of an auction based timber sale system. This will not affect LP's softwood timber licenses associated with our OSB facilities in BC; however, it will affect our timber allocations associated with our LVL, plywood and cedar operations in BC. Although this legislation has been enacted, the regulations that will establish the new timber pricing system and basis for the 20% timber license reduction have not yet been published. As a result, we are unable to predict what effects these changes will have on future operations. The BC government has acknowledged that licensees will be fairly compensated for the reduction in harvesting rights and the costs associated with the related improvements, including roads and bridges.

As part of the acquisition of the assets of Evans Forest Products in 1999, LP allocated a portion of the purchase price to these timber licenses based upon the present value of the difference between the cost of the timber under licenses and the timber purchased on the open market as of the date of acquisition. As a result of the change in the enacted timber license structure and integral relationship between these licenses and the acquired operations, LP will be required to complete an impairment test, once the compensation referred to above has been determined, on these operations to determine what, if any, impairment is required.

NOTE 17 – CONTINGENCY RESERVES

LP is involved in various legal proceedings incidental to LP's business and is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions that we operate. LP maintains reserves for these various contingencies as follows:

Dollar amounts in millions	March 31, 2004	December 31, 2003
Environmental reserves	$ 14.9	$ 17.9
OSB siding reserves	16.1	16.7
Hardboard siding reserves	41.9	43.7
Other	26.2	20.3
Total contingencies	99.1	98.6
Current portion contingencies	(49.0)	(43.0)
Long-term portion contingencies	$ 50.1	$ 55.6

OSB and Hardboard Siding Reserves

LP has established reserves relating to certain liabilities associated with products manufactured which were the subjects of nationwide class action lawsuits. These settlement agreements relate to a nationwide class action suit involving OSB Siding manufactured by LP and installed prior to January 1, 1996 and a nationwide class action suit involving hardboard siding manufactured or sold by corporations acquired by LP in 1999 and installed prior to May 15, 2000 and were approved by the applicable courts in 1996 and 2000, respectively. LP continues to have payment and other obligations under the nationwide OSB and hardboard siding settlements. These settlements are discussed in detail in the Notes to financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

NOTE 18 - EARLY DEBT EXTINGUISHMENT

During the first quarter ended March 31, 2004, LP repurchased $190.6 million of its publicly traded debt obligations ($186.8 million of the 10.875% Subordinated Notes and $3.8 million of the 8.5% Senior Notes). In connection with the repurchase, LP recorded a charge of $40 million to reflect the premiums paid and certain transaction costs.

NOTE 19 – DEFINED BENEFIT PENSION PLANS

The follow table sets forth the net periodic pension cost for our U.S. defined benefit pension plans during the first quarters of 2004 and 2003 included the following components:

	Quarter Ended	
Dollar amounts in millions	**March 31, 2004**	**March 31, 2003**
Sevice cost	$ 2.4	$ 2.4
Interest cost	3.1	3.4
Expected return on plan assets	(3.5)	(3.5)
Amortization of prior service cost and transition assets	0.2	0.3
Recognized net actuarial loss	1.4	1.1
Net periodic pension cost	$ 3.6	$ 3.7

Through March 31, 2004, LP recognized $4.3 of pension expense for all of LP's defined benefit plans. We anticipate recording an additional $12.7 million of pension expense in the remainder of 2004 for a total of $17 million.

Through March 31, 2004, LP made $32.4 million of pension contributions for all of LP's defined benefit plans. LP presently anticipates contributing an additional $3.6 million to fund our pension plans in the remainder of 2004 for a total of $36 million.

NOTE 20 - RECENT ACCOUNTING PROUNCEMENTS

LP adopted FASB issued Interpretation No. 46 (FIN46), Consolidation of Variable Interest Entities at December 31, 2003. This interpretation requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. In December 2003, the FASB published a revision to FIN 46 ("FIN 46R") to clarify some of the provisions of the interpretation and defer the effective date of implementation for certain entities. Under the guidance of FIN 46R, entities that do not have interests in structures that are commonly referred to as special purpose entities are required to apply the provisions of the interpretation in financials statements for periods ending after March 14, 2004. We do not have interests in special purpose entities that are not consolidated.

Item 2. Management's Discussion and Analysis

GENERAL

Our products are used primarily in new home construction, repair and remodeling, and manufactured housing. We also market and sell our products in light industrial and commercial construction, have a modest export business for some of our specialty building products, and operate a facility in Chile.

To serve these markets, we operate in four segments: Oriented Strand Board (OSB), Composite Wood Products, Plastic Building Products, and Engineered Wood Products (EWP). OSB is the most significant segment, accounting for more than 65% of sales during the first quarter of 2004 and more than 45% in the first quarter of 2003.

During the first quarter of 2004, compared to the first quarter of 2003, we saw significant improvement in our operating results primarily driven by the strength of OSB pricing, as well as the continued market penetration of our exterior siding products.

Our most significant product, OSB, is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our products will remain at current levels or increase or decrease in the future. During the first quarter of 2004, OSB prices reached record levels driven by product demand outstripping the industry's ability to supply the product. This imbalance was caused by increased housing starts, which created more demand, coupled with limited new capacity coming on line and low inventory in the distribution channels.

For additional factors affecting our results, refer to the Management Discussion and Analysis overview contained in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

CRITICAL ACCOUNTING POLICIES

Presented in Note 1 of Notes to financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003 is a discussion of our significant accounting policies. While it is important to review and understand all of these policies when reading our financial statements, there are several policies that we have adopted and implemented from among acceptable alternatives that could lead to different financial results had another policy been chosen:

Inventory valuation. We use the LIFO (last-in, first-out) method for most log and lumber inventories with the remaining inventories valued at FIFO (first-in, first-out) or average cost. Our inventories would have been approximately $5.2 million higher if the LIFO inventories were valued at average cost as of March 31, 2004.

Property, plant and equipment. We principally use the units of production method of depreciation for machinery and equipment that amortizes the cost of machinery and equipment over the estimated units that will be produced during its estimated useful life.

Stock options. We have chosen to report our stock based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" under which no compensation cost for stock options is recognized for stock options granted at or above fair market value. As permitted, we apply only the disclosure provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation" which establishes a fair value approach to measuring compensation expense related to employee stock compensation plans. Had compensation expense for our stock-based compensation plans been determined based upon the fair value at the grant dates under those plans consistent with

SFAS No. 123, our net income would have been lower or net loss would have been greater. For the first quarter of 2004, had we recorded this compensation expense, our net income would have been lower by $0.8 million.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates. For 2004, these significant accounting estimates and judgments include:

Legal Contingencies. Our estimates of our loss contingencies for legal proceedings are based on various judgments and assumptions regarding the potential resolution or disposition of the underlying claims and associated costs. In making judgments and assumptions regarding legal contingencies for ongoing class action settlements, we consider, among other things, discernible trends in the rate of claims asserted and related damage estimates, information obtained through consultation with statisticians and economists, including statistical analyses of potential outcomes based on experience to date and the experience of third parties who have been subject to product-related claims judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, both the precision and reliability of the resulting estimates of the related loss contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to these contingencies and, as additional information becomes known, may change our estimates significantly.

Environmental Contingencies. Our estimates of our loss contingencies for environmental matters are also based on various judgments and assumptions. These estimates typically reflect judgments and assumptions relating to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect judgments and assumptions relating to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities, including third parties who purchased assets from us subject to environmental liabilities. We consider the ability of third parties to pay their apportioned cost when developing our estimates. In making these judgments and assumptions related to the development of our loss contingencies, we consider, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors and our historical experience at other sites that are judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. At March 31, 2004, we excluded from our estimates $6.3 million of potential environmental liabilities that we estimate will be allocated to third parties pursuant to existing and anticipated future cost sharing arrangements. Commencing January 1, 2003, liabilities associated with closing, capping and monitoring landfills are accounted for as asset retirement obligations in accordance with SFAS No. 143, “Accounting for Asset Retirement Obligations.”

Impairment of Long-Lived Assets. We review the long-lived assets held and used by us (primarily property, plant and equipment and timber and timberlands) for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Identifying these events and changes in circumstances, and assessing their impact on the appropriate valuation of the affected assets under accounting principles generally accepted in the US, requires us to make judgments, assumptions and estimates. In general, on assets held and used, impairments are recognized when the book values exceed our estimate of the undiscounted future net cash flows associated with the affected assets. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. Our assumptions regarding pricing are based upon the average pricing over the commodity cycle (generally five years) due to the inherent volatility of commodity product pricing. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will continue to reduce product costs that will offset inflationary impacts.

When impairment is indicated, the book values of the assets to be held and used are written down to their estimated fair value that is generally based upon discounted future cash flows. Assets to be disposed of are written down to their estimated fair value, less estimated sales costs. Consequently, a determination to dispose of particular assets can require us to estimate the net sales proceeds expected to be realized upon such disposition, which can be less than the estimated undiscounted future net cash flows associated with such assets prior to such determination, and

thus require a write down of such assets. In situations where we have experience in selling assets of a similar nature, we may estimate net sales proceeds on the basis of that experience. In other situations, we hire independent appraisers to estimate net sales proceeds. Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets in these circumstances, and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates of the related impairment charges are subject to substantial uncertainties and, as additional information becomes known, we may change our estimates significantly.

Income Taxes. The determination of the provision for income taxes, and the resulting current and deferred tax assets and liabilities, involves significant management judgment, and is based upon information available to management at the time of such determination. The final income tax liability to any taxing jurisdiction with respect to any calendar year will ultimately be determined long after our financial statements have been published for that year. We maintain reserves for estimated tax exposures in federal, state and international jurisdictions. Significant income tax exposures may include potential challenges to intercompany pricing, the treatment of financing, acquisition and disposition transactions, the use of hybrid entities, and the use of the installment sale method of accounting for tax purposes and other matters. These exposures are settled primarily through the closure of audits by these taxing jurisdictions and, on occasion, through the judicial process, any of which may produce a result inconsistent with past estimates. We believe that we have appropriate liabilities established for estimated exposures; however, actual results may differ materially from our estimates.

Judgment is also applied in determining whether deferred tax assets will be realized in full or in part. When we consider it to be more likely than not that all or some portion of a deferred tax asset will not be realized, a valuation allowance is established for the amount of the deferred tax asset that is estimated not to be realizable. As of March 31, 2004, we had established valuation allowances against certain deferred tax assets, primarily related to state and foreign, capital and net operating loss carryovers. We have not established valuation allowances against other deferred tax assets based upon expected future taxable income and/or tax strategies planned to mitigate the risk of impairment of these assets. Accordingly, changes in facts or circumstances affecting the likelihood of realizing a deferred tax asset could result in the need to record additional valuation allowances.

Goodwill. We adopted SFAS No. 142, "Goodwill and Other Intangible Assets" on January 1, 2002. Under this standard, goodwill and other intangible assets that are deemed to have an indefinite life are no longer amortized. However, these indefinite life assets are tested for impairment on an annual basis, and otherwise when indicators of impairment are determined to exist, by applying a fair value based test. The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgments at many points during the analysis. In testing for potential impairment, the estimated fair value of the reporting unit, as determined based upon cash flow forecasts, is compared to the book value of the reporting unit. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. Our assumptions regarding pricing are based upon the average pricing over the commodity cycle (generally five years) due to the inherent volatility of commodity product pricing. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will continue to reduce product costs that will offset inflationary impacts.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets in these circumstances, and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates of the related impairment charges, if any, are subject to substantial uncertainties and, as additional information becomes known, we may change our estimates significantly.

Pension Plans. Most of our U.S. employees and many of our Canadian employees participate in defined benefit pension plans sponsored by LP. We account for the consequences of our sponsorship of these plans in accordance with accounting principles generally accepted in the U.S., which require us to make actuarial assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. While we believe we have a reasonable basis for these assumptions, which include assumptions regarding long-term rates of return on plan assets, life expectancies, rates of increase in salary levels, rates at which future values should be discounted to determine present values and other matters, the amounts of our pension related assets, liabilities and expenses recorded in our financial statements would differ if we used other assumptions. The amount of the additional

minimum pension liability, recorded in Accumulated Comprehensive Loss on our consolidated balance sheet, is based on an annual comparison of the accumulated benefit obligation to the market value of plan assets on our most recent valuation date of October 31, 2003. See further discussion related to pension plans below under the heading "Defined Benefit Pension Plans" and in Note 9 of the Notes to the financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003

RESULTS OF OPERATIONS

Our net income for the first quarter of 2004 was $106.5 million, or $0.98 per diluted share, on sales of $695.3 million, compared to the first quarter 2003 net income of $1.5 million, or $0.01 per diluted share, on sales of $406.7 million. For the first quarter of 2004, income from continuing operations was $112.3 million, or $1.03 per diluted share compared to income from continuing operations of $2.0 million, or $0.02 per diluted share for the first quarter of 2003.

Our results of operations for each of our segments are discussed below as well as for the "other" category, which comprises other products that are not individually significant.

OSB

Our OSB segment manufactures and distributes commodity OSB structural panels.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	2004	2003	Change
Net sales	$ 455.3	$ 194.5	134%
Operating profits	$ 254.1	$ 16.6	1431%
Depreciation, amortization and cost of timber harvested	$ 20.9	$ 18.7	

Percent changes in average sales prices and unit shipments for the quarter ended March 31, 2004 compared to the quarter ended March 31, 2003 are as follows:

	Quarter Ended March 31, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments
Commodity OSB	114%	10%

OSB prices increased significantly for the first quarter of 2004 as compared to the corresponding period of 2003 due to continued strong market demand. The above change in average net selling price compares net selling price including freight between periods. Excluding freight from the calculation, average net selling prices increased 129% from the prior period. Additionally, limited additional industry capacity has been put into service over the last year. The increase in price accounted for an increase in net sales and operating profits of approximately $220 million.

Compared to the first quarter of 2003, the primary factor for increased operating profits was the significant increase in sales prices, which was partially offset by an increase in operating costs of 10% for the quarter. The increase in operating costs at the mills was primarily due to higher wood, resin and energy costs. Approximately half of our cost increases was related to the strengthened Canadian dollar compared to first quarter of 2003 as our operating results at our Canadian OSB mills were negatively affected due to increased Canadian dollar denominated costs when translated into US dollars. Approximately 40% of our OSB segment costs are denominated in Canadian dollars.

COMPOSITE WOOD PRODUCTS

Our composite wood products segment produces and markets wood siding and related accessories, specialty hardboard products and specialty OSB.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003	Change
Net sales	$ 104.1	$ 88.7	17%
Operating profits	$ 14.1	$ 9.1	55%
Depreciation, amortization and cost of timber harvested	$ 4.3	$ 4.0	

Sales in this segment are broken down as follows:

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003	Change
OSB-based exterior products	$ 59.3	$ 52.7	13%
Hardboard siding	38.2	32.2	19%
Chile	6.6	3.8	74%
Total	$ 104.1	$ 88.7	17%

Percent changes in average sales prices and unit shipments for the quarter ended March 31, 2004 compared to the quarter ended March 31, 2003 are as follows:

	Quarter Ended March 31, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments
OSB-based exterior products	1%	32%
Commodity OSB	114%	(92)%
Hardboard	1%	16%

For the first quarter of 2004, sales volume continued to increase over the comparable period in the prior year in our OSB-based exterior products due to increased market penetration and brand awareness. Volumes also increased in our hardboard siding and doorskin business due to the addition of several new customers as one of our competitors exited the business. Sales prices in the OSB-based exterior products and hardboard remained relatively flat over the comparable period.

During the first quarter of both 2004 and 2003, two of our specialty OSB facilities also produced commodity OSB. The commodity OSB volume declined significantly during the first quarter of 2004 due to the increase in market demand for OSB-based exterior products. See the discussion in OSB above related to changes in commodity OSB pricing.

Overall, the improvement in operating results for our composite wood products segment for the first quarter of 2004 compared to the same period in the prior year was primarily due to increased volumes in both OSB-based exterior products and hardboard siding, which was slightly offset by increases in operating costs including higher wood, resin and energy costs.

PLASTIC BUILDING PRODUCTS

Our plastic building products segment produces and markets vinyl siding and related accessories, plastic mouldings and composite decking.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	2004	2003	Change
Net sales	$ 53.3	$ 42.6	25%
Operating profits	$ 2.7	$ 3.0	-10%
Depreciation, amortization and cost of timber harvested	$ 2.0	$ 1.7	

Sales in this segment are broken down as follows:

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003	Change
Vinyl siding	$ 23.1	$ 19.5	18%
Decking	19.2	13.3	44%
Mouldings	11.0	9.8	12%
Total	$ 53.3	$ 42.6	25%

Percent changes in average sales prices and unit shipments for the quarter ended March 31, 2004 compared to the quarter ended March 31, 2003 are as follows:

	Quarter Ended March 31 2004 versus 2003	
	Average Net Selling Price	Unit Shipments

Vinyl siding	10%	7%
Decking	9%	33%
Mouldings	(1)%	14%

In our vinyl siding business, sales prices increased for the first quarter of 2004 as compared to the same period in the prior year due partially to an increase in sales of our premium siding product (168% increase in the quarter) and a general price increase to offset a portion of the higher cost of the primary raw material.

In our mouldings product line, we saw an increase in unit shipments for the quarter as compared to the same period in the prior year due to increased retail activity in the home centers. Sales prices declined slightly for the first quarter of 2004 due to competitive pricing pressure.

Operating results for our composite decking business declined for the first quarter of 2004 over the comparable period in the prior year primarily due to increased product costs. We implemented sales prices increases in the later portion of 2003 for all our decking products in an effort to partially offsetting increasing raw material costs. Our sales and production volumes increased significantly as a result of continued marketing efforts to gain new customers.

The results of operations in this segment declined slightly for the first quarter of 2004 as compared to the same period of the prior year due to increased resin costs, the primary raw material for many of the products in this segment, increased energy costs and the impact of the strengthened Canadian dollar. Additionally, marketing costs increase as we continue to expand our presence in these markets.

ENGINEERED WOOD PRODUCTS

Our engineered wood products segment manufactures and distributes engineered wood products (EWP), including laminated veneer lumber (LVL), I-Joists and other related products.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	2004	2003	Change
Net sales	$ 77.9	$ 60.1	30%
Operating profits (losses)	$ (1.1)	$ (1.0)	-10%
Depreciation, amortization and cost of timber harvested	$ 3.6	$ 3.0	

Sales in this segment are broken down as follows:

	Quarter Ended March 31,		
	2004	2003	Change
LVL	$ 33.8	$ 23.7	43%
I-Joist	32.2	25.7	25%
Other	11.9	10.7	11%
Total	$ 77.9	$ 60.1	30%

Percent changes in average sales prices and unit shipments for the quarter ended March 31, 2004 compared to the quarter ended March 31, 2003 are as follows:

	Quarter Ended March 31 2004 versus 2003	
	Average Net Selling Price	Unit Shipments
LVL	5%	37%
I-Joists	4%	22%

During the first quarter of 2004, we continued to grow our engineered wood products segment. We saw significant growth in both LVL and I-Joist sales with the addition of several new distributors and expanded presence with large production builders. Sales prices increased during the first quarter of 2004 as we instituted general price increases to offset the higher raw material costs. Our focus continues to be on relentless reductions in costs, better geographic manufacturing and distribution, and maintaining customer relationships. In addition to focusing on maximizing the potential of our existing facilities, we continue to look for alliance opportunities.

The results of operations of our EWP segment declined primarily due to increases in raw material costs (primarily veneer, OSB and lumber) as well as the impact of the strengthened Canadian dollar. The price increase partially offset the impact of higher costs.

OTHER PRODUCTS

Our other products category includes sales associated with lumber sales offices, timber and timberlands not associated with other segments or businesses to be divested and other minor products and services. Sales were significantly lower, with lower operating profits for the first quarter of 2004 as compared to the same period of 2003. The reduction in sales was primarily attributable to the divesture of most of our lumber facilities. Additionally, sales and profits of logs sold to third parties from our timberlands declined significantly with the sale of our remaining fee timberlands in October of 2003.

GENERAL CORPORATE AND OTHER EXPENSE, NET

For the first quarter of 2004 as compared to 2003, general corporate expenses increased 12%. General corporate and other expenses primarily consist of corporate overhead such as wages and benefits for corporate and sales personnel, professional fees, insurance and other expenses. The increases in the first quarter of 2004 were primarily related to stock compensation accruals due to improved operating and stock performance, higher insurance costs and increased marketing spending.

INTEREST, NET

Interest expense in the first quarter of 2004 was lower than the comparable period in 2003 due to lower interest rates on variable debt and a lower average amount of debt outstanding. Interest income in the first quarter of 2004 was higher than the comparable period in 2003 due to the significantly increased cash and cash equivalent and investment balances.

DISCONTINUED OPERATIONS

Included in discontinued operations for the first quarter of 2004 and 2003 are the results of the operations of mills that have been or are to be divested under our divesture plan. For the first quarter of 2004, these operations include three lumber mills and an interior hardboard operation. For the first quarter of 2003, these operations included our lumber and industrial panels mills, interior hardboard operations and a distribution facility.

Included in the operating losses of discontinued operations for the first quarter of 2004, are a charge of $9.9 million to reduce the book value associated with assets held for sale to the estimated sales price; a charge of $2.1 million on the sale of a lumber facility in Idaho and a charge of $0.4 million on long-term timber contracts associated with previously closed or sold facilities. Additionally, during the first quarter of 2004, we recognized $2.6 million in income associated with the liquidation of certain LIFO inventories due to the reduced log inventories at sites to be sold or closed.

Included in operating losses of discontinued operations for the first quarter of 2003, are gains of $7.5 million on the sale of various assets previously held for sale and a loss of $0.5 million related to severance charges.

INCOME TAXES

Income (loss) before taxes for the quarter ended March 31, 2004 and 2003 were as follows:

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003
Continuing operations	$ 176.7	$ 3.1
Discontinued operations	(9.5)	(0.9)
Cumulative effect of change in accounting principle	—	0.1
	167.2	2.3
Total tax provision (benefit)	60.7	0.8
Net income (loss)	$ 106.5	$ 1.5

Accounting standards require that the estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) by income component for the year be applied to year-to-date income or loss at the end of each quarter. The primary difference between differences between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to differences associated with non-taxable foreign currency exchange gains on certain intercompany debt that is denominated in Canadian dollars and a significant portion of income estimated to be taxable in foreign jurisdictions at lower tax rates. The components and associated estimated effective income tax rates applied to the first quarter of 2004 and 2003 are as follows:

	Quarter Ended March 31, 2004		Quarter Ended March 31, 2003	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	$ 64.4	37%	$ 1.1	35%
Discontinued operations	(3.7)	39%	(0.3)	39%
	$ 60.7	36%	$ 0.8	35%

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES

We adopted Statement of Financial Accounting Standards No. 143, “Accounting for Asset Retirement Obligations,” as of January 1, 2003. This statement addresses the financial accounting and reporting obligations associated with

the retirement of tangible long-lived assets and the associated retirement costs. This statement requires us to record both an initial asset and a liability for the fair value of estimated costs of legal obligations associated with the retirement of long-lived assets. The initial assets are depreciated over the expected useful life of the asset. Upon adoption of this statement, we changed our accounting for landfill closure and monitoring costs, reforestation obligations associated with certain timber licenses in Canada and other assets. Implementation of this standard resulted in income of $0.2 million (or $0.1 million after taxes of $0.1 million) as the fair value of the liabilities as calculated under SFAS No. 143 was lower than previously recorded liabilities. This impact was recorded as a “cumulative effect of change in accounting principle” as of January 1, 2003.

DEFINED BENEFIT PENSION PLANS

We maintain several qualified and non-qualified defined benefit pension plans in the U.S. and Canada that cover a substantial portion of our employees. We account for all of these plans and provide aggregated disclosures about these plans in the Notes to our financial statements as required by SFAS No. 87 “Employers’ Accounting for Pensions”, SFAS No. 88 “Employers’ Accounting for Settlement and Curtailments of Defined Benefit Plans and for Termination Benefits” and SFAS No. 132 “Employers’ Disclosures about Pensions and Other Post Retirement Benefits (revised 2003)”. See Note 9 of the notes to the financial statements included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2003. We estimate that our defined benefit pension expense for 2004 will be approximately $17 million. That estimate assumes that we have no curtailment or settlement expenses in 2004. If a curtailment or settlement does occur in 2004, this estimate may change significantly. We estimate that we will contribute approximately $36 million to these plans in 2004. As of March 31, 2004, we had contributed approximately $32 million to these plans. At December 31, 2003, we had an unrecognized loss of $92 million associated with our defined benefit pension plan. The amortization of this unrecognized loss will account for approximately 40% of our 2004 pension expense.

LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our Annual Report on Form 10-K for the year ended December 31, 2003, Note 16 to the financial statements contained therein and Item 1, Legal Proceedings, in Part II of this report.

HARDBOARD SIDING LITIGATION UPDATE

The following discussion updates should be read in conjunction with the discussion of our hardboard siding litigation set forth in Note 12 of Item 8 of the Notes to the financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

Cumulative statistics under hardboard settlements are as follows:

	March 31, 2004	December 31, 2003
Requests for claims	33,100	31,700
Completed claims received	20,000	18,800
Completed claims pending	2,500	2,700
Claims dismissed	5,400	5,300
Claims settled	12,100	10,800

The average payment amount for settled claims as of March 31, 2004 and December 31, 2003 was approximately $1,400 and $1,400. Dismissal of claims is typically the result of claims for product not produced by LP or predecessor companies or claims that lack sufficient information or documentation after repeated efforts to correct those deficiencies.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

During the first quarter of 2004, we generated $86 million of cash from operating activities compared to a use of $49 million in the first quarter of 2003. The increase in cash provided by operations in the first quarter of 2004 was primarily a result of improved operating results in our OSB business. This was offset by an increase in payments to our pension plans as well as an increase in working capital above the increase in the first quarter of 2003.

We paid out $4 million in the first quarter of 2004 as compared to $5 million in the same period of 2003 related to litigation settlements.

INVESTING ACTIVITIES

During the first quarter of 2004, we used approximately $261 million in cash in investing activities. We used approximately $235 million to purchase investments with maturities in excess of 90 days to increase the returns on our short-term investments. Capital expenditures for property, plant and equipment increased for the first quarter of 2004 to $28 million and were primarily used for capital projects to reduce production costs and increase capacity in certain OSB facilities, purchase a research and development facility and expansion of our decking production capacities.

Net cash provided by investing activities was $6.0 million in the first three months of 2003. Capital expenditures for property, plant and equipment in the first three months of 2003 and related primarily to non-discretionary capital projects and capital required for our joint venture for an I-Joist facility in Eastern Canada. In addition, LP received, in the first quarter of 2003, proceeds of approximately $25.5 million from the sale of timberlands and $29.1 million on the sales of other assets. Under the terms of our prior revolving credit agreement, the net after-tax proceeds of these sales ($36 million) was required to be deposited in a restricted cash account.

Capital expenditures for 2004 are expected to be about $135 million on projects to reduce our energy, raw materials and resin costs in our current OSB mills as well as expansion projects in our decking and siding operations. Additionally, we expect to invest $35-40 million in our joint venture project with Canfor Corporation (previously Slocan Forest Products) to construct and operate an OSB mill in British Columbia, Canada (of which at March 31, 2004 the joint venture had committed $51 million, of which LP's portion is $25.5 million, to purchase equipment).

FINANCING ACTIVITIES

In the first quarter of 2004, net cash used in financing activities was $212 million as compared to $28 million in the first quarter of 2003. In the first quarter of 2004, we repaid $228 million of our long-term debt. These payments included a premium on the early extinguishment of the Senior and Subordinated notes of approximately $40 million. Additionally, we generated $23 million in proceeds from the sale of common stock under our various equity compensation plans and paid a cash dividend of $5.3 million.

In the first quarter of 2003, we repaid $32 million in long-term debt and increased the borrowings under our revolving credit facility by $4 million. During 2003, we converted our secured revolving credit facility into a secured letter of credit facility. Benefits from the conversion included the elimination of $187 million of unneeded committed borrowing capacity (and the obligation to pay related fees), a $37 million reduction in cash collateral and a more favorable rate for letters of credit (which are cash collateralized under the facility).

FINANCING OBLIGATIONS

Our secured U.S. letter of credit facility, which expires in February 2005, provides for up to $125 million of letters of credit to be outstanding at any time and requires us to pledge cash as security for our reimbursement obligations under the facility in an amount equal to 110% of the face amount of the letters of credit outstanding. At March 31, 2004, $92 million of letters of credit were outstanding under this facility ($102 million in restricted cash as of March 31, 2004).

We also have a $10 million (Canadian) letter of credit facility under which $3 million (Canadian) of letters of credit were outstanding at March 31, 2004. Our ability to obtain letters of credit under this facility ends in January 2005,

and the facility expires in January 2006. This facility requires LP to pledge, as security for its reimbursement obligations under the facility, cash collateral in an amount equal to 110% of the face amount of the letters of credit outstanding under the facility at any time.

Additionally, we have an accounts receivable securitization facility, which expires in November 2004 that provides for maximum borrowings of up to of $100 million. The maximum available to be borrowed under this facility changes based upon the amount of eligible receivables, as defined, concentration of eligible receivables and other factors. Additionally, the facility contains a provision under which specified downgrades of our long-term unsecured senior debt rating could cause an amortization event under this facility. At March 31, 2004, we had no borrowings outstanding under this facility.

The following details our current debt ratings as of April 28, 2004:

	Moody's Investor Service	Standard & Poor's
Senior Notes	Ba1	BBB -
Overall Rating	—	BBB - / stable

The indenture under which our senior subordinated notes were issued restricted our ability and our restricted subsidiaries (as defined in the indenture) to, among other things: (1) incur debt; (2) incur liens; (3) make acquisitions; (4) make investments, including loans and advances; (5) engage in mergers, consolidations or sales of assets; (6) enter into sale and leaseback transactions; (7) engage in transactions with affiliates; and (8) pay dividends or engage in stock redemptions. With our successful repurchase of a majority of these notes, substantially all of the restrictive covenants contained in the indenture were suspended.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (principally, payments for siding litigation settlements), totaled $99 million at March 31, 2004, of which $49 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of such estimates.

POTENTIAL IMPAIRMENTS

We continue to review several mills for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. However, should the markets for our products deteriorate to levels significantly below cycle average pricing or should we decide to invest capital in alternative projects, it is possible that we will be required to record further impairment charges.

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

As part of the sale of our Samoa, California pulp mill to Samoa Pacific Cellulose LLC, there are several contingent liabilities, primarily concerning environmental remediation, associated with these operations that, under certain circumstances, could become our liabilities. We have not fully recorded an accrual for these liabilities, as we do not believe payment is likely to occur.

Our Canadian subsidiaries have arrangements with the Canadian provincial governments which give these subsidiaries the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses. Total timber under

license in British Columbia (BC) is located on 7,900,000 acres. In March of 2003, the BC government announced major changes to the provincial timber license structure. These included a 20% reduction in the harvesting rights for holders of long-term licenses and the introduction of an auction based timber sale system. This will not affect our softwood timber licenses associated with our OSB facilities in BC; however, it will affect our timber allocations associated with our LVL, plywood and cedar operations in BC. Although this legislation has been enacted, the regulations that will establish the new timber pricing system and basis for the 20% timber license reduction have not yet been published. As a result, we are unable to predict what effects these changes will have on future operations. The BC government has acknowledged that licensees will be fairly compensated for the reduction in harvesting rights and the costs associated with the related improvements (including roads and bridges).

As part of the acquisition of the assets of Evans Forest Products in 1999, we allocated a portion of the purchase price to these timber licenses based upon the present value of the difference between the cost of the timber under licenses and the timber purchased on the open market as of the date of acquisition. As a result of the change in the enacted timber license structure and integral relationship between these licenses and the acquired operations, we will be required to complete an impairment test, once the compensation referred to above has been determined, on these operations to determine what, if any, impairment is required.

OUTLOOK: ISSUES AND UNCERTAINTIES

Management does not provide public forecasts of future financial performance. Factors that support this view include a favorable interest rate environment, trend of increasing home ownership rates, steady growth of repair and remodeling and the demographics that support more housing and increased sizes. While management is optimistic about our long-term prospects, the following issues and uncertainties should be considered in evaluating our Company.

Cyclical industry conditions and commodity pricing have and may continue to adversely affect our financial conditions and results of operations. Our operating results reflect the general cyclical pattern of the building products industry. Many of our products and raw materials, including OSB and lumber, are globally traded commodity products. In addition, our products are subject to competition from manufacturers worldwide. Historical prices for our products have been volatile, and we, like other participants in the building products industry, have limited influence over the timing and extent of price changes for our products. Product pricing is significantly affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors. The level of new residential construction activity and home repair and remodeling activity primarily affects the demand for our building products. Demand is also subject to fluctuations due to changes in economic conditions, interest rates, population growth, weather conditions and other factors. We are not able to predict with certainty market conditions and selling prices for our products. We cannot assure you that prices for our products will not decline from current levels. A prolonged and severe weakness in the markets for one or more of our principle products could seriously harm our financial condition and results of operations and our ability to satisfy our cash requirements, including the payment of interest and principal on our debt.

We have a high degree of product concentration. OSB accounted for more than 65% of our sales during the first quarter of 2004 and 57% of sales during fiscal 2003, and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. Additionally, during first quarter of 2004 and the later portion of 2003, OSB commodity prices reached record highs and have continued at record levels into the second quarter of 2004. Concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. We cannot assure you that pricing for OSB or our other products will not decline from current levels.

Increased industry production capacity for OSB could constrain our operating margins for the foreseeable future. According to the Resource Information Systems, Inc. (RISI), an industry market research organization, total North American OSB annual production capacity increased by about 4 billion square feet from 1998 to 2002 on a 3/8-inch equivalent basis and is projected to increase by approximately 6 billion square feet in the 2004 to 2008 period. RISI has projected that total North American demand for OSB will increase by about 5.8 billion square feet during the same 2004 to 2008 period. If increases in OSB production capacity exceed increases in OSB demand, OSB could have constrained operating margins in the foreseeable future.

Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and from sustaining profitability. The markets for our products are highly competitive. Our competitors range from very large, fully integrated forest and building products firms to smaller firms that may manufacture only one or a few types of products. We also compete less directly with firms that manufacture substitutes for wood building products. Many of our competitors have greater financial and other resources than we do, and certain of the mills operated by our competitors may be lower-cost producers than the mills operated by us.

Our results of operations may be harmed by increases in raw material costs. The most significant raw material used in our operations is wood fiber. We currently obtain more than 70% of our wood fiber requirements in the open market. Wood fiber is subject to commodity pricing, which fluctuates on the basis of market factors over which we have no control. In addition, the cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of governmental, economic or industry conditions. In addition to wood fiber, we also use a significant quantity of various resins in our manufacturing processes. Resin product costs are influenced by changes in the prices of raw materials used to produce resins, primarily petroleum products, as well as demand for resin products. Selling prices of our products have not always increased in response to raw material cost increases. We are unable to determine to what extent, if any, we will be able to pass any future raw material cost increases through to our customers through product price increases. Our inability to pass increased costs through to our customers could have a material adverse effect on our financial condition, results of operations and cash flow.

Our operations require substantial capital and our capital resources may not be adequate to provide for all of our cash requirements. Our operations require substantial capital. Capital expenditures for expansion or replacement of existing facilities or equipment or to comply with future changes in environmental laws and regulations may be substantial. The US government has enacted Maximum Achievable Control Technology (MACT). We anticipate, based upon our current facilities, that we will be required to spend between $7 million and $30 million over the next several years to comply with these regulations. Although we maintain our production equipment with regular periodic and scheduled maintenance, we cannot assure you that key pieces of equipment in our various production processes will not need to be repaired or replaced or that we will not incur significant additional costs associated with environmental compliance. The costs of repairing or replacing such equipment and the associated downtime of the affected production line could have a material adverse effect on our financial condition, results of operations and cash flow. Based on our current operations, we believe our cash flow from operations and other capital resources will be adequate to meet our operating needs, capital expenditures and other cash requirements for the foreseeable future. However, we cannot assure you that our capital resources will be adequate for these purposes. If our capital resources are inadequate to provide for our operating needs, capital expenditures and other cash requirements on economic terms, we could experience a material adverse effect on our business, financial condition, results of operations and cash flow.

We are subject to significant environmental regulation and environmental compliance expenditures and liabilities. Our businesses are subject to many environmental laws and regulations, particularly with respect to discharges of pollutants and other emissions on or into land, water and air, and the disposal, remediation of hazardous substances or other contaminants and, in the past, the restoration and reforestation of timberlands. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Moreover, some or all of the environmental laws and regulations to which we are subject could become more stringent in the future. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or remedial actions.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot assure you that existing or future circumstances or developments with respect to contamination will not require significant expenditures by us.

We are involved in various environmental matters and legal proceedings. The outcome of these matters and proceedings and the magnitude of related costs and liabilities are subject to uncertainties. We currently are and from time to time in the future will be involved in a number of environmental matters and legal proceedings. These matters and proceedings, including class action settlements relating to certain of our products, have in the past caused and in the future may cause us to incur substantial costs. We have established contingency reserves in our consolidated financial statements with respect to the estimated costs of existing environmental matters and legal proceedings to the extent that our management has determined that such costs are both probable and reasonably estimable as to amount. However, such reserves are based upon various estimates and assumptions relating to future events and circumstances, all of which are subject of inherent uncertainties. We regularly monitor our estimated exposure to environmental and litigation loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time. We may incur costs in respect of existing and future environmental matters and legal proceedings as to which no contingency reserves have been established. We cannot assure you that we will have sufficient resources available to satisfy the related costs and expenses associated with these matters and proceedings.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

A portion of our outstanding debt bears interest at variable rates and accordingly is sensitive to changes in interest rates. Interest rate changes would result in gains or losses in the market value of our debt portfolio due to differences in market interest rates and the rates at the inception of the debt agreements. Based upon our indebtedness at March 31, 2004, a 100 basis point interest rate change would impact the pre-tax net income and cash flow by $0.5 million annually.

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

As of March 31, 2004, we had $927 (Canadian) million in intercompany debt between our US and Canadian subsidiaries. This debt is denominated in Canadian dollars and therefore is subject to translation gains and losses in terms of US dollars. While the gains and loss due to translation are eliminated in consolidation for financial reporting purposes, the tax effect is not because the translation of the Canadian balance into US dollars occurs outside of the tax reporting entities and therefore creates a tax difference. For each $.01 change in the exchange rate, our annual tax expense (benefit) changes by $3.6 million.

Our OSB products are sold as commodities and therefore sales prices fluctuate daily based on market factors over which we have little or no control. OSB accounted for over 65% of our sales in the first quarter of 2004. With an annual capacity of 5.8 billion square feet (3/8” basis) or 5.0 billion square feet (7/16” basis), a $1 change in the annual average price on 7/16” basis would change annual pre-tax profits by approximately $5.0 million.

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

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have carried out, as of March 31, 2004, with the participation of LP’s management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15 (e) under the Securities Exchange Act (Act). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that LP’s disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported by management of LP on a timely basis in order to comply with the company’s disclosure obligations under the Act and the SEC rules thereunder.

There were no changes in LP’s internal controls over financial reporting that occurred during the company’s most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, LP’s internal control over financial reporting.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
SUMMARY OF PRODUCTION VOLUMES (1)

	Quarter Ended March 31,	
	2004	**2003**
Oriented strand board, million square feet 3/8” basis	1,364	1,232
Oriented strand board, million square feet 3/8” basis (produced at wood-based siding mills)	5	57
Wood-based siding, million square feet 3/8” basis	260	207
Engineered I-Joist, million lineal feet	22	21
Laminated veneer lumber (LVL), thousand cubic feet	2,835	2,204
Composite Decking, thousand lineal feet	6,681	7,982
Vinyl Siding, squares	702	555

(1) Amounts shown above include production that is consumed within LP as well as production that is available for sale to outside customers.

INDUSTRY PRODUCT TRENDS

The amounts shown below are dollars per 1,000 square feet.

		OSB N. Central 7/16" Basis
Annual Average		
1993	$	236
1994		265
1995		245
1996		184
1997		142
1998		205
1999		260
2000		206
2001		159
2002		160
2003 1st Qtr. Avg.		176
2004 1st Qtr. Avg.		428

Source: *Random Lengths*

PART II -OTHER INFORMATION

Item 1. Legal Proceedings.

Certain environmental matters and legal proceedings involving us are discussed below. Additional environmental matters and legal proceedings involving us are discussed in Item 7, Legal Proceedings, in our annual report on Form 10-K for the year ended December 31, 2003.

Environmental Matters

We are involved in a number of environmental proceedings and activities, and may be wholly or partially responsible for known or unknown contamination existing at a number of other sites at which we have conducted operations or disposed of wastes. Based on the information currently available, we believe that any fines, penalties or other costs or losses in excess of amounts currently accrued resulting from these matters will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Siding Matters

On October 15, 2002, a jury returned a verdict of $29.6 million against us in a Minnesota State Court action entitled *Lester Building Systems, a division of Butler Manufacturing Company, and Lester's' of Minnesota, Inc., v. Louisiana-Pacific Corporation and Canton Lumber Company*. On December 13, 2002, the District of Oregon, which maintains jurisdiction over the nationwide OSB class action referred to above permanently enjoined the Minnesota state trial court from entering judgment against LP with respect to $11.2 million of the verdict that related to siding that was subject to the nationwide OSB siding settlement. Lester's has appealed this injunction to the Ninth Circuit Court of Appeals. Subsequently, on January 27, 2003, the Minnesota state trial court entered judgment against LP in the amount of $20.1 million, representing the verdict amount plus costs and interest less the enjoined amount. We believe that the judgment is erroneous in significant respects and filed a Notice of Appeal in the Minnesota State Court of Appeals. On February 17, 2004, the Minnesota State Court of Appeals affirmed the judgment entered by the trial court. We filed a Petition for Review with the Minnesota State Supreme Court. On April 28, 2004, the Minnesota State Supreme Court denied our petition for review and the trial court's judgment will become final. Based upon the information currently available, we believe that any liability related to this case is adequately provided for in the financial statements and will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Nature Guard Cement Shakes Matters

We were named in four putative class actions filed in California and one putative class action filed in the state of Washington: *Virginia L. Davis v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of Stanislaus, on January 9, 2001; *Mahleon R. Oyster and George Sousa v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of San Francisco, on July 30, 2001; *Angel H. Jasso and Angela Jasso v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of Stanislaus, on September 7, 2001; *Keith Oguro v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of San Francisco, on March 12, 2002; and, *Nick P. Marassi, M.D. and Debra Marassi v. Louisiana-Pacific Corporation*, filed in the Superior Court for the State of Washington, Snohomish County, on June 13, 2001. The plaintiffs in the *Davis*, *Oyster/Sousa and Jasso* cases sought and were granted coordination in California State Court. The coordinated case was assigned to the Superior Court for Stanislaus County, California. On April 2, 2002, class counsel filed a Master Complaint captioned as *Nature Guard Cement Roofing Shingle Cases*. The plaintiffs in the *Davis*, *Oyster/Sousa*, *Jasso and Marassi* cases as well as a plaintiff from Oregon named Karl E. Von Tagen were named as putative class representatives in the Master Complaint. As a result, the separate actions filed by those individuals were dismissed. On November 5, 2002, the court granted plaintiffs' Motion for Class Certification. The plaintiffs now represent the class of persons owning structures on which Nature Guard Fiber Cement Shakes were installed as roofing. The Master Complaint asserts claims for breach of express and implied warranties, unfair business practices, and violation of the Consumer Legal Remedies Act and seeks general, compensatory, special and punitive damages, disgorgement of profits and the establishment of a fund to provide restitution to the purported class members. The Court dismissed plaintiffs' claims for breach of implied warranty and violation of the Consumer Legal

Remedies Act. Plaintiffs subsequently filed an Amended Complaint to reintroduce the Consumer Legal Remedies Act claim by naming an additional plaintiff representative, Stephen Redmond. The Court allowed the amendment and despite our motion and appeal to remove the claim under California's Consumer Legal Remedies Act, that claim remains in the case.

We no longer manufacture or sell fiber cement shakes. The dollar amount of the referenced claims cannot presently be determined. The complaint in this action does not quantify the relief sought by the plaintiffs individually or on behalf of the class, discovery in this action has not been completed, no determination of liability has been made and no process for the submission of individual claims in connection with this action has been established.

Other Proceedings

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

Contingency Reserves

We maintain reserves for the estimated cost of the legal and environmental matters referred to above. However, as with any estimate, there is uncertainty of predicting the outcomes of claims and litigation and environmental investigations and remediation efforts that could cause actual costs to vary materially from current estimates. Due to various uncertainties, we cannot predict to what degree, if any, actual payments will materially exceed the recorded liabilities related to these matters. However, it is possible that, in either the near term or the longer term, revised estimates or actual payments will significantly exceed the recorded liabilities.

For information regarding our financial statement reserves for the estimated costs of the environmental and legal matters referred to above, see Note 14 of the Notes to financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003.

Item 4. Submission Of Matters To A Vote Of Security Holders

None

Item 6. Exhibits and Reports on Form 8-K.

(a) *Exhibits*

4.1 Fourth Supplemental Trust Indenture dated as of March 25, 2004 between LP and J.P. Morgan Trust Company, National Association.

31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).

31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).

32.1 Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002.

LP hereby agrees to furnish supplementally to the SEC upon its request any schedules and similar documents omitted pursuant to Item 601(b)(2) of Regulation S-K and any instruments omitted pursuant to Item 601 (b)(4)(iii) of Regulation S-K.

(b) *Reports on Form 8-K*

The following reports were filed by LP during the quarter ended March 31, 2004,

Current Report on Form 8-K dated February 5, 2004 reporting certain matters under items 5 and 12 thereof.

Current Report on Form 8-K dated March 4, 2004 reporting certain matters under item 12 thereof.

Current Report on Form 8-K dated March 15, 2004 and March 26, 2004 reporting certain matters under item 5 thereof.

SIGNATURES

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

LOUISIANA-PACIFIC CORPORATION

Date: May 7, 2004

BY: MARK A. SUWYN
Mark A. Suwyn
Chairman and Chief Executive Officer

Date: May 7, 2004

BY: CURTIS M. STEVENS

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

Exhibit 4.1

LOUISIANA-PACIFIC CORPORATION

and

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION

Trustee

Fourth Supplemental Trust Indenture

Dated as of March 25, 2004

Supplementing that certain

Indenture

Dated as of April 2, 1999

FOURTH SUPPLEMENTAL INDENTURE

Fourth Supplemental Indenture, dated as of March 25, 2004, between Louisiana-Pacific Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and J.P. Morgan Trust Company, National Association (as successor in interest to Bank One Trust Company, N.A.), a national banking association duly incorporated under the laws of the United States of America, as trustee (the "Trustee"), amending that certain Third Supplemental Indenture, dated as of August 13, 2001 (the "Third Supplemental Indenture") between the Company and Bank One Trust Company, N.A. (as successor in interest to The First National Bank of Chicago), as trustee, supplementing that certain Indenture, dated as of April 2, 1999, between the Company and The First National Bank of Chicago, as trustee (the "Original Indenture"; the Original Indenture, as supplemented by the Third Supplemental Indenture, is herein referred to as the "Indenture").

RECITALS

A. The Company has duly authorized the execution and delivery of the Original Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness to be issued in one or more series as provided for in the Original Indenture.

B. The Company has duly authorized the execution and delivery of the Third Supplemental Indenture providing for the issuance of $200,000,000 aggregate principal amount of the Company's 10.875% Senior Subordinated Notes due November 15, 2008 (the "Notes").

C. Section 10.02 of the Original Indenture provides that a supplemental indenture may be entered into by the Company and the Trustee, with the consent of the holders of a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Original Indenture or of modifying in any manner the rights of the holders of Securities of such series under the Original Indenture.

D. The only series of Outstanding Securities affected by this Fourth Supplemental Indenture is the Notes. The Holders of a majority of the Outstanding Notes, by Act of such Holders delivered to the Company and the Trustee, have consented to the entry into this Fourth Supplemental Indenture by the Company and the Trustee, and the Company has been authorized by a Board Resolution to enter into this Fourth Supplemental Indenture with the Trustee.

E. All acts and things necessary to make this Fourth Supplemental Indenture a valid agreement of the Company according to its terms have been done and performed, and the execution and delivery of this Fourth Supplemental Indenture have in all respects been duly authorized.

F. Capitalized terms herein which are not otherwise defined herein have the respective meanings ascribed to them in the Original Indenture.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee hereby agree as follows:

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1. Amendment. The Third Supplemental Indenture is amended as follows:

1.1. Section 2.1 is hereby amended by deleting the defined term "Investment Grade" and its related definition in its entirety.

1.2. Section 2.1 is hereby amended by adding each of the following defined terms and their related definitions:

"Capital Lease" means, with respect to any Person, any lease of property (whether real, personal, or mixed) by such Person or its Subsidiaries as lessee that would be capitalized on a balance sheet of such Person or its Subsidiaries prepared in conformity with GAAP, other than, in the case of such Person or its Subsidiaries, any such lease under which such Person or any of its Subsidiaries is the lessor.

"Debt" means (a) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed and (b) all guaranties, endorsements, assumptions and other contractual obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others.

"Fourth Supplemental Indenture" means the Fourth Supplemental Indenture, dated as of March 25, 2004, by and between the Company and the Trustee, supplementing the Original Indenture and amending this Supplemental Indenture.

"Funded Debt" means any Debt which by its terms matures more than one year after, or which is renewable or extendible at the option of the obligor for a period ending more than one year after, the date as of which Funded Debt is being determined, and shall include (a) any Debt that so matures or that is so renewable or extendible incurred, assumed or guaranteed by the Company or any Restricted Subsidiary, either directly or indirectly, (b) any deferred indebtedness of the Company or any Restricted Subsidiary for the payment of the purchase price of property or assets purchased that so matures or that is so renewable or extendible, and (c) any indebtedness secured by a mortgage, lien, security interest, pledge, assignment or transfer on, in or of any property of the Company or any Restricted Subsidiary and upon which the Company or any Restricted Subsidiary customarily pays the interest, that so matures or that is so renewable or extendible.

"Sale and Lease-Back Transaction" means, with respect to any Person, an arrangement with any bank, insurance company or other lender or investor or to which such lender or investor is a party providing for the leasing pursuant to a Capital Lease to such Person or any Subsidiary of such Person of any property or asset of such Person or such Subsidiary which has been or is being sold or transferred by such Person or such Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset, other than (a) leases for a term, including renewals at the option of the lessee, of not more than three years, by the end of which term it is intended that the use of such property or asset by such Person will be discontinued, (b) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, provided that any Restricted Subsidiary that is a lessee under any such lease continues to be a Restricted Subsidiary for the term of such lease, and (c) leases entered into within 120 days after the later of the acquisition or the completion of construction or improvement of the property to be leased.

"Value" means with respect to a Sale and Lease-Back Transaction, as of any particular time, an amount equal to (1) the greater of (a) the fair value of the property leased pursuant to such Sale and Lease-Back Transaction (as determined by the Board of Directors of the Company or a Person designated by such Board of Directors) and (b) the net proceeds from the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction divided by (2) the number of full years of the term of the lease (determined without regard to any renewal or extension options contained in the lease) and multiplied by (3) the number of full years of such term remaining at the time of determination (determined without regard to any renewal or extension options contained in the lease).

1.3. Section 2.1 is hereby amended by amending and restating the following definitions to read in their entirety as follows:

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and The American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by any successor entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination.

"Permitted Liens" means Liens other than Liens that the Company or a Restricted Subsidiary would not be permitted to incur pursuant to Section 3.1.

"Rating Condition" means as of any particular time (a) the Company's having a corporate credit rating of (i) BB- or above, in the case of S&P (or its equivalent under any successor Rating Categories of S&P) or Ba3 or above, in the case of Moody's (or its equivalent under any successor Rating Categories of Moody's), or (ii) the equivalent in respect of the Rating Categories of any of the Rating Agencies or (b) the condition set forth in clause (a) above having been satisfied for a period of twelve consecutive months commencing on or after the date on which the Fourth Supplemental Indenture becomes operative. The Rating Condition will be deemed to be satisfied throughout any period of time during which the condition described in clause (a) of the immediately preceding sentence is satisfied and at all times after the condition described in clause (b) of the immediately preceding sentence is first satisfied.

1.4. Section 3.1 is hereby amended and restated to read in its entirety as follows:

Section 3.1 Limitations on Liens.

(a) The Company shall not and shall not permit any Restricted Subsidiary to, (i) incur, assume or guarantee any Debt secured by any mortgage, lien, security interest, pledge, assignment or transfer (hereinafter called "mortgage" or "mortgages") on, in or of any Principal Property of the Company or of a Restricted Subsidiary or on, in or of any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), or (ii) directly or indirectly secure any outstanding Debt of the Company or any Restricted Subsidiary by any mortgage on, in or of any

Principal Property of the Company or of a Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), without in any such case concurrently and effectively securing, the Senior Subordinated Notes (together with, if the Company shall so determine, any other indebtedness of or guaranteed by the Company or such Restricted Subsidiary ranking equally with the Senior Subordinated Notes and then existing or thereafter created) with the same property equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to:

(i) any mortgage on, in or of any property acquired, constructed or improved by the Company or any Restricted Subsidiary after the date on which the Fourth Supplemental Indenture becomes operative which is created, incurred or assumed within 120 days after such acquisition or the completion of such construction or improvement, or within six months thereafter pursuant to a firm commitment for financing arranged with a lender or investor within such 120-day period, to secure or provide for the payment of all or any part of the purchase price of such property (including the purchase price of any Person that owns such property) or the cost of such construction or improvement incurred after the date on which the

Fourth Supplemental Indenture becomes operative, provided that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than the property so acquired, constructed or improved;

(ii) mortgages existing or in effect with respect to any property, shares of stock or indebtedness at the time the same is acquired by the Company or a Restricted Subsidiary by merger or otherwise;

(iii) mortgages existing or in effect with respect to any property (including shares of stock and indebtedness) of any Person existing at the time such Person becomes a Restricted Subsidiary;

(iv) mortgages existing or in effect on the date on which the Fourth Supplemental Indenture becomes operative;

(v) mortgages securing Debt of a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(vi) mortgages in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the

cost of constructing or improving the property subject to such mortgages;

(vii) any mortgage on, in or of timberlands in connection with an arrangement under which the Company or a Restricted Subsidiary is obligated to cut or pay for timber in order to provide the secured party with a specified amount of money, however determined, provided that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than such timberlands;

(viii) mortgages created, incurred or assumed in connection with the issuance of revenue bonds the interest of which is exempt from federal income taxation pursuant to Section 103(a) and related provisions (including any successor provisions thereto) of the Internal Revenue Code of 1986, as amended; or

(ix) mortgages created, extended or renewed in connection with any extension, renewal, refinancing, replacement or refunding (including successive extensions, renewals, refinancings, replacements or refundings), in whole or in part, of Debt secured by any mortgage referred to in the foregoing clauses (i) to (viii); provided, however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal, refinancing, replacement or refunding, and that such extension, renewal, refinancing, replacement or refunding shall be limited to all or a part of the property which secured the Debt so extended, renewed, refinanced, replaced or refunded (plus improvements on such property).

(b) The provisions of Section 3.1(a) shall not apply to the incurrence, assumption or guarantee by the Company or any Restricted Subsidiary of Debt secured by, or the securing of any outstanding Debt of the Company or any Restricted Subsidiary by, one or more mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions up to an aggregate amount which, together with (i) all other Debt of the Company and the Restricted Subsidiaries secured by mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions and (ii) the Value of all Sale and Lease-Back Transactions involving Principal Properties in existence at such time (other than any Sale and Lease-Back Transaction described in Section 3.2(b)) does not at the time exceed 15% of Consolidated Net Tangible Assets.

1.5. Section 3.2 is hereby amended and restated to read in its entirety as follows:

Section 3.2 Limitation on Sale and Lease-Back Transactions. The Company shall not, and shall not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction involving any Principal Property unless :

(a) the Company or such Restricted Subsidiary would be permitted, pursuant to the provisions of Section 3.1(b), to incur Debt in a principal amount at least equal to the Value of the Sale and Lease-Back Transaction and to secure such Debt with a mortgage on the Principal Property to be leased, without equally and ratably securing the Senior Subordinated Notes; or

(b) the Company, within 120 days of the effective date of such Sale and Lease-Back Transaction (or in the case of (ii) below, within six months thereafter pursuant to a firm purchase commitment entered into within such 120-day period), causes to be applied an amount equal to the Value of such Sale and Lease-Back Transaction (i)to the payment or other retirement of Senior Subordinated Notes or Funded Debt incurred or assumed by the Company which ranks senior to or pari passu with the Senior Subordinated Notes or of Funded Debt incurred or assumed by any Restricted Subsidiary (other than, in either case, Senior Subordinated Notes or Funded Debt owned by the Company or any Restricted Subsidiary), or (ii) to the purchase of a Principal Property (other than the Principal Property involved in such sale);

and the consideration paid or payable to the Company or a Restricted Subsidiary in connection with the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction is at least equal to the fair value of such property (as determined by the Board of Directors of the Company or a Person designated by such Board of Directors).

1.6. The first sentence of Section 3.4(c) is hereby amended and restated to read in its entirety as follows:

Any Net Proceeds from Asset Sales that are consummated after the date on which the Fourth Supplemental Indenture becomes operative at a time when the Rating Condition is not satisfied that are not applied or invested as provided in Section 3.4(b) will constitute "Excess Proceeds."

1.7. Section 3.9(d) is hereby amended and restated to read in its entirety as follows:

The amount of all Restricted Payments (other than cash) made at the time when the Rating Condition is not satisfied will be the fair market value on the date of the Restricted Payment of the asset(s) or securities paid, distributed, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued will be determined by the Company's Board of Directors in good faith (which determination will be conclusive and binding) and, in the case of valuations in excess of $25 million, will be, at any time during which the Rating Condition is not satisfied, evidenced by a Board Resolution set forth in an Officer's Certificate delivered to the Trustee. Not later than the date of any Restricted Payment made at a

time at which the Rating Condition is not satisfied, the Company will be required to deliver to the Trustee an Officer's Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 3.9 were computed.

1.8. Section 3.9(e) is hereby deleted in its entirety.

1.9. Article III is amended by adding the following Section 3.17:

Section 3.17 Actions Taken While Rating Condition is Satisfied. Notwithstanding anything to the contrary contained in this Supplemental Indenture, no action, omission, event or occurrence taking place at any time at which the Rating Condition is satisfied, or pursuant to any agreement or commitment entered into at any time at which the Rating Condition is satisfied, and no consequences of any of the foregoing, shall be given effect at any time for the purpose of any covenant contained in this Supplemental Indenture at a time at which the Rating Condition is not satisfied if giving effect thereto would result in a default in the performance, or breach, of any covenant or impair the Company's ability to comply with any covenant.

2. Corresponding Amendments to the Notes. Each Note is hereby amended to make the terms of such Note consistent with the terms of the Indenture, as amended by this Fourth Supplemental Indenture. To the extent of any conflict between the terms of the Notes and the terms of the Indenture, as amended by this Fourth Supplemental Indenture, the terms of the Indenture, as amended by this Fourth Supplemental Indenture, shall govern and be controlling.

3. Effectiveness. Pursuant to Section 10.04 of the Original Indenture, this Fourth Supplemental Indenture will become effective upon execution, but the amendments set forth in Sections 1 and 2 of this Fourth Supplemental Indenture (the "Amendments") will not become operative until the Acceptance Date (as defined in the Company's Offer to Purchase and Consent Solicitation Statement, dated March 11, 2004). If and when the Amendments become operative, the Indenture shall be deemed to be modified and amended in accordance with this Fourth Supplemental Indenture and the respective rights, limitations of rights, duties and immunities under the Indenture of the Trustee, the Company and the Holders of Notes shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments contained in this Fourth Supplemental Indenture, and all the terms and conditions of this Fourth Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

4. Miscellaneous.

4.1. This Fourth Supplemental Indenture shall be construed as supplemental to the Original Indenture and the Third Supplemental Indenture and all the terms and conditions of this Fourth Supplemental Indenture shall be deemed to be part of the terms and conditions of the Original Indenture and the Third Supplemental Indenture. Except as set forth herein, the Original Indenture and the Third Supplemental Indenture heretofore executed and delivered are hereby (i) incorporated by reference in this Fourth Supplemental Indenture and (ii) ratified, approved, and confirmed. This Fourth Supplemental Indenture is an indenture supplemental to and in implementation of the Original Indenture and the Third Supplemental Indenture, and the Original Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture shall henceforth be read and construed together as one instrument.

4.2. If any provision of this Fourth Supplemental Indenture limits, qualifies or conflicts with any provision of the Trust Indenture Act that is required under the Trust Indenture Act to be part of and govern any provision of this Fourth Supplemental Indenture, the provision of the Trust Indenture Act shall control. If any provision of this Fourth Supplemental Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the provisions of the Trust Indenture Act shall be deemed to apply to the Indenture as so modified or to be excluded by this Fourth Supplemental Indenture, as the case may be.

4.3. In case any one or more of the provisions contained in this Fourth Supplemental Indenture or in the Notes is for any reason held to be invalid, illegal, or unenforceable in any respect, such validity, illegality, or enforceability will not affect any other provision of this Fourth Supplemental Indenture or of the Notes, but this Fourth Supplemental Indenture and such Notes will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein or therein.

4.4. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

4.5. Nothing in this Fourth Supplemental Indenture or in the Notes, express or implied, will give to any Person, other than the parties hereto and their successors hereunder and the Holders any benefit or any legal or equitable right, remedy, or claim under this Fourth Supplemental Indenture.

4.6. All the covenants, stipulations, promises, and agreements in this Fourth Supplemental Indenture contained by or on behalf of the Company will bind its successors and assigns, whether so expressed or not.

4.7. This Fourth Supplemental Indenture and the Notes will be deemed to be a contract made under the law of the State of New York, and for all purposes will be construed in accordance with the laws of said State without giving effect to principles of conflict of laws of such State.

4.8. This Instrument may be executed in one or more counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Fourth Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, as of the day and year first written above.

[Seal]

Attest:		LOUISIANA-PACIFIC CORPORATION	
By:		By:	
Name:	Anton C. Kirchhof	Name:	Curtis M. Stevens
Title:	Secretary	Title:	Executive Vice President, Administration, and Chief Financial Officer

Attest:		J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION	
By:		By:	
Name:	J. Morand	Name:	Renee Johnson
Title:	Vice President	Title:	Vice President

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

On this 25th day of March, 2004, before me personally came Curtis M. Stevens, to me known, who, being by me duly sworn, did depose and say that he is Executive Vice President, Administration, and Chief Financial Officer of Louisiana-Pacific Corporation, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

On this 25th day of March, 2004, before me personally came Renee Johnson, to me known, who, being by me duly sworn, did depose and say that he/she is Vice President of J.P. Morgan Trust Company, National Association, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public

CERTIFICATIONS

I, Mark A. Suwyn, Chief Executive Officer of Louisiana-Pacific Corporation, certify that:

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

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

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

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

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

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

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

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

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

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

Date: May 7, 2004

/S/ MARK A. SUWYN
Mark A. Suwyn

CERTIFICATIONS

I, Curtis M. Stevens, Chief Financial Officer of Louisiana-Pacific Corporation, certify that:

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

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

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

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

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

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

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

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

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

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

Date: May 7, 2004

/S/ CURTIS M. STEVENS
Curtis M. Stevens

Exhibit 32.1

LOUISIANA-PACIFIC CORPORATION
805 SW Broadway, Suite 1200
Portland, Oregon 97205-3303
(503) 821-5100

May 7, 2004

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

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

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the period ended March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

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

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

/S/ MARK A. SUWYN
Name: Mark A. Suwyn
Title: Chief Executive Officer

/S/ CURTIS M. STEVENS
Name: Curtis M. Stevens
Title: Chief Financial Officer

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