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BUILDING PRODUCTS



# Louisiana-Pacific Corporation

Q3 2012 Financial Results

November 6, 2012

These slides were prepared and should be read in conjunction with the earnings release by LP's management on November 6, 2012 relating to LP's financial condition and results of operations as of and for the quarter and nine months ended September 30, 2012. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after November 6, 2012.

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# Forward Looking Statements

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



# Statement Relating to the Use of Non-GAAP Financial Measures

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



# Financial Results

Dollar amounts in millions, except per share amounts

	<u>Q3 12</u>	<u>Q2 12</u>	<u>Q3 11</u>	<u>YTD 2012</u>	<u>YTD 2011</u>
<b>Net sales</b>	\$ 467.8	\$ 427.8	\$ 350.6	\$ 1,257.1	\$ 1,044.7
<b>Income (loss) from continuing operations</b>	\$ 31.4	\$ (37.2)	\$ (59.3)	\$ (17.0)	\$ (115.1)
<b>Loss from discontinued operations</b>	\$ (0.1)	\$ (0.1)	\$ (6.3)	\$ (0.3)	\$ (8.8)
<b>Net income (loss) attributed to LP</b>	\$ 31.3	\$ (37.3)	\$ (65.6)	\$ (17.3)	\$ (124.1)
<b>Diluted EPS from continuing operations</b>	\$ 0.22	\$ (0.27)	\$ (0.44)	\$ (0.13)	\$ (0.87)
<b>Diluted EPS</b>	\$ 0.22	\$ (0.27)	\$ (0.49)	\$ (0.13)	\$ (0.94)
<b><u>Non-GAAP financial results</u></b>					
<b>Adjusted operating income (loss)</b>	\$ 49.0	\$ 19.3	\$ (17.5)	\$ 66.1	\$ (52.7)
<b>Adjusted income (loss) from continuing operations</b>	\$ 29.1	\$ 2.8	\$ (26.1)	\$ 23.1	\$ (68.0)
<b>Adjusted diluted EPS from continuing operations</b>	\$ 0.20	\$ 0.02	\$ (0.19)	\$ 0.17	\$ (0.51)
<b>Adjusted EBITDA from continuing operations</b>	\$ 75.2	\$ 36.6	\$ (3.1)	\$ 132.8	\$ 6.7
<b>Average shares outstanding</b>					
<b>Basic</b>	137.1	137.0	134.5	136.9	132.4
<b>Diluted</b>	142.6	137.0	134.5	136.9	132.4

Note: Refer to LP Form 8K filed on November 6, 2012 for the reconciliation of Adjusted operating loss from continuing operations, EBITDA from continuing operations and Adjusted EBITDA from continuing operations



# OSB

Dollar amounts in millions

	<u>Q3 12</u>	<u>Q2 12</u>	<u>Q3 11</u>	<u>YTD 2012</u>	<u>YTD 2011</u>
<b>Sales</b>	\$ 226.6	\$ 194.9	\$ 138.8	\$ 571.0	\$ 411.4
<b>Operating income (loss)<sup>a</sup></b>	\$ 49.3	\$ 17.0	\$ (16.0)	\$ 66.0	\$ (48.0)
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 59.8	\$ 27.7	\$ (4.6)	\$ 98.0	\$ (13.4)
<b>Percentage Changes:</b>					
<b>Sales</b>		16%	63%		39%
<b>Adjusted EBITDA</b>		116%	1400%		831%
<b><u>Volume</u></b>		(2%)	11%		10%
<b><u>Price</u></b>		21%	50%		27%

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

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



# Siding

Dollar amounts in millions

	<u>Q3 12</u>	<u>Q2 12</u>	<u>Q3 11</u>	<u>YTD 2012</u>	<u>YTD 2011</u>
<b>Sales</b>	\$ 134.1	\$ 137.0	\$ 112.0	\$ 384.2	\$ 336.6
<b>Operating income<sup>a</sup></b>	\$ 20.3	\$ 19.4	\$ 11.8	\$ 56.4	\$ 35.9
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 24.3	\$ 23.5	\$ 15.8	\$ 68.8	\$ 48.5
<b>Percentage Changes:</b>					
<b>Sales</b>		(2%)	20%		14%
<b>Adjusted EBITDA</b>		3%	54%		42%
<b><u>Volume</u></b>					
<b>Smart Side</b>		(8%)	15%		14%
<b>Canoxel</b>		25%	26%		(7%)
<b><u>Price</u></b>					
<b>Smart Side</b>		1%	2%		2%
<b>Canoxel</b>		(3%)	2%		(1%)

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

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



# Engineered Wood Products

Dollar amounts in millions

	<u>Q3 12</u>	<u>Q2 12</u>	<u>Q3 11</u>	<u>YTD 2012</u>	<u>YTD 2011</u>
<b>Sales</b>	\$ 61.5	\$ 51.7	\$ 54.9	\$ 161.8	\$ 156.9
<b>Operating loss<sup>a</sup></b>	\$ (3.0)	\$ (3.4)	\$ (3.2)	\$ (9.3)	\$ (11.9)
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 0.3	\$ (0.8)	\$ (0.1)	\$ (0.2)	\$ (1.0)
<b>Percentage Changes:</b>					
<b>Sales</b>		19%	12%		3%
<b>Adjusted EBITDA</b>		138%	400%		80%
<b><u>Volume</u></b>					
<b>LVL / LSL</b>		12%	1%		1%
<b>I-Joist</b>		8%	20%		14%
<b><u>Price</u></b>					
<b>LVL / LSL</b>		3%	0%		(1%)
<b>I-Joist</b>		4%	(1%)		(1%)

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

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



# South America

Dollar amounts in millions

	<u>Q3 12</u>	<u>Q2 12</u>	<u>Q3 11</u>	<u>YTD 2012</u>	<u>YTD 2011</u>
<b>Sales</b>	\$ 42.0	\$ 42.7	\$ 36.3	\$ 127.1	\$ 111.1
<b>Operating income<sup>a</sup></b>	\$ 4.5	\$ 3.6	\$ 2.3	\$ 11.2	\$ 10.1
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 7.8	\$ 6.3	\$ 5.3	\$ 20.1	\$ 19.0
<b>Percentage Changes:</b>					
<b>Sales</b>		(2%)	16%		14%
<b>Adjusted EBITDA</b>		24%	47%		6%
<b><u>Volume</u></b>					
<b>Chile</b>		(13%)	18%		21%
<b>Brazil</b>		23%	15%		(2%)
<b><u>Price</u></b>					
<b>Chile</b>		(4%)	1%		5%
<b>Brazil</b>		(1%)	(10%)		(7%)

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

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





# Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Total cash and investments	\$ 504.2	\$ 353.6
Working capital	\$ 688.2	\$ 517.3
Net cash (debt)	\$ 101.7	\$ 113.1
Capital expenditures YTD (excludes investments in JVs)	\$ 16.1	\$ 21.4
Book value per share	7.18	7.38

# Appendix

Note: Refer to LP Form 8K filed on November 6, 2012 for the reconciliation of Adjusted income (loss) from continuing operations, EBITDA from continuing operations and Adjusted EBITDA from continuing operations



# Appendix

## Dollar amounts in millions

	September 30, 2012	December 31, 2011
<b><u>Calculation of "Working Capital"</u></b>		
Current assets	\$ 963.4	\$ 656.8
Current liabilities	(275.2)	(139.5)
Working Capital	\$ 688.2	\$ 517.3
<b><u>Calculation of "Net Cash (Debt)"</u></b>		
Long-term debt	\$ (785.4)	\$ (715.9)
Current portion of long-term debt and short-term notes payable	(105.7)	(13.2)
Notes receivable from assets sales (current and long-term)*	488.6	488.6
Total cash and investments	504.2	353.6
Net cash and investments	\$ 101.7	\$ 113.1
<b><u>Calculation of "Total Cash and Investments"</u></b>		
Cash and cash equivalents	\$ 490.5	\$ 340.0
Restricted cash	11.9	12.9
Long-term investments	1.8	0.7
Total cash and investments	\$ 504.2	\$ 353.6

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