

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 June 30, 1996
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 (IRS Employer Identification No.)
incorporation or organization)

111 S. W. Fifth Avenue, Portland, Oregon 97204-3699
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 108,639,650 shares of Common Stock, \$1 par value, outstanding as of June 30, 1996.

FORWARD LOOKING STATEMENTS

Statements in this report, to the extent they are not based on historical events, constitute forward looking statements. Forward looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or plans for product development. Investors are cautioned that forward looking statements are subject to an inherent risk that actual results may vary materially from those described herein. Factors that may result in such variance, in addition to those accompanying the forward looking statements, include changes in interest rates, commodity prices, and other economic conditions; actions by competitors; changing weather conditions and other natural phenomena; actions by government authorities; uncertainties associated with legal proceedings; technological developments; future decisions by management in response to changing conditions; and misjudgments in the course of preparing forward looking statements.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

Consolidated Summary Statements of Income
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions except per share) (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Net sales	\$ 658.3	\$ 709.3	\$1,242.4	\$1,396.1
Costs and expenses:				
Cost of sales	540.9	593.2	1,051.7	1,118.8
Depreciation, amortization and depletion	51.9	47.9	95.0	92.9
Selling and administrative	30.5	26.6	65.7	56.3
Interest expense	3.4	1.7	4.3	4.0
Interest income (5.1)	(2.9)	(2.0)	(3.8)	
Total costs and expenses	623.8	667.4	1,212.9	1,266.9
Income before taxes and minority interest	34.5	41.9	29.5	129.2
Provision for income taxes	13.0	14.9	11.1	47.0
Minority interest in net income (loss) of consolidated subsidiaries	.5	.7	1.0	1.6
Net income	\$ 21.0	\$ 26.3	\$ 17.4	\$ 80.6
Net income per share	\$.19	\$.25	\$.16	\$.75
Cash dividends per share	\$.14	\$.14	\$.28	\$.265

Consolidated Summary Balance Sheets
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

	June 30, 1996	Dec. 31,
1995	-----	-----
- -		
Cash and cash equivalents	\$ 54.2	\$
75.4		
Accounts receivable, net	190.9	
128.7		
Inventories	252.5	
317.7		
Prepaid expenses	8.5	
14.3		
Deferred income taxes	82.4	
82.4		
- -	-----	-----
Total current assets	588.5	
618.5		
- -	-----	-----
Timber and timberlands	665.9	
689.6		
Property, plant and equipment	2,672.2	
2,592.5		
Less reserves for depreciation	(1,178.6)	
(1,140.2)		
- -	-----	-----
Net property, plant and equipment	1,493.6	
1,452.3		
Other assets	73.5	
45.0		
- -	-----	-----
Total assets	\$2,821.5	
\$2,805.4		
=====	=====	
=====		
Current portion of long-term debt	\$ 40.6	\$
38.6		
Short-term notes payable	37.8	
98.3		
Accounts payable and accrued liabilities	196.6	
161.6		
Current portion of contingency reserves	100.0	
150.0		
Income taxes payable	10.2	--
- -		
- -	-----	-----
Total current liabilities	385.2	
448.5		
- -	-----	-----
Long-term debt, excluding current portion	347.5	
201.3		
Deferred income taxes	205.8	
207.5		
Contingency reserves, net of current portion	177.1	
250.5		
Other long-term liabilities and minority interest	47.6	
41.6		
Stockholders' equity:		
Common stock	117.0	
117.0		
Additional paid-in capital	472.9	
472.4		
Retained earnings	1,388.2	
1,400.8		
Treasury stock	(186.2)	
(192.7)		

Loans to Employee Stock Ownership Trusts	(73.6)	
(85.5)		
Other equity adjustments	(60.0)	
(56.0)		
	-----	-----
- -		
Total stockholders' equity	1,658.3	
1,656.0		
	-----	-----
- -		
Total liabilities and equity	\$2,821.5	
\$2,805.4		
	=====	
=====		

Consolidated Summary Statements of Cash Flows
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

Six Months Ended June 30, 1995	1996	
- -	-----	-----
Cash flows from operating activities:		
Net income	\$ 17.4	\$
80.6		
Depreciation, amortization and depletion	95.0	
92.9		
Payments of settlement liabilities	(123.4)	--
- -		
Other adjustments, net	1.0	
17.2		
Decrease (increase) in certain working capital components	99.4	
(9.4)		
Increase (decrease) in deferred income taxes	(1.7)	
(.1)	-----	-----
- -		
Net cash provided by operating activities	87.7	
181.2	-----	-----
- -		
Cash flows from investing activities:		
Capital spending, including acquisitions	(174.7)	
(197.7)		
Other investing activities, net	7.2	
3.8	-----	-----
- -		
Net cash used in investing activities	(167.5)	
(193.9)	-----	-----
- -		
Cash flows from financing activities:		
New borrowing	120.0	--
- -		
Repayment of long-term debt	(26.8)	
(61.7)		
Increase (decrease) in short-term notes payable	(10.5)	
(.3)		
Cash dividends	(30.0)	
(28.5)		
Purchase of treasury stock	---	
(120.2)		
Other financing activities, net	5.9	
(3.3)	-----	-----
- -		
Net cash provided by (used in) financing activities	58.6	
(214.0)	-----	-----
- -		
Net increase (decrease) in cash and cash equivalents	(21.2)	
(226.7)		
Cash and cash equivalents at beginning of year	75.4	
315.9	-----	-----
- -		
Cash and cash equivalents at end of period	\$ 54.2	\$
89.2	=====	
=====		

Consolidated Statements of Stockholders' Equity
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions except per share) (Unaudited)

	Six Months Ended June 30, 1996	
	Shares	Amount
	-----	-----
Common Stock	116,937,022	\$ 117.0
	=====	=====
Additional Paid-in-Capital:		
Beginning balance		\$ 472.4
Net transactions		.5

Ending balance		\$ 472.9
		=====
Retained Earnings:		
Beginning balance		\$1,400.8
Net income		17.4
Cash dividends, \$.28 per share		(30.0)

Ending balance		\$1,388.2
		=====
Treasury stock:		
Beginning balance	8,588,427	\$(192.7)
Shares reissued under employee stock plans and other purposes	(291,055)	6.5
	-----	-----
Ending balance	8,297,372	\$(186.2)
	=====	=====
Loans to Employee Stock Ownership Trusts:		
Beginning balance		\$ (85.5)
Less accrued contribution		11.9

Ending balance		\$ (73.6)
		=====
Other Equity Adjustments:		
Beginning balance		\$ (56.0)
Currency translation adjustment and amortization of deferred compensation		(4.0)

Ending balance		\$ (60.0)
		=====

Notes To Financial Statements
Louisiana-Pacific Corporation and Subsidiaries

1. The interim period information included herein reflects all adjustments which are, in the opinion of the management of L-P, necessary for a fair statement of the results of the respective interim periods. Such adjustments are of a normal recurring nature. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. It is suggested that these summary financial statements be read in conjunction with the financial statements and the notes thereto included in L-P's 1995 Annual Financial Report to Stockholders. Interim financial statements are by necessity somewhat tentative; judgments are used to estimate quarterly amounts for items that are normally determinable only on an annual basis.
2. Earnings per share is based on the weighted average number of shares of common stock outstanding during the periods (107,260,000 in 1996 and 107,040,000 in 1995). The effect of common stock equivalents is not material.
3. The effective income tax rate is based on estimates of annual amounts of taxable income, foreign sales corporation income and other factors. These estimates are updated quarterly.
4. Determination of interim LIFO inventories requires estimates of year-end inventory quantities and costs. These estimates are revised quarterly and the estimated annual change in the LIFO inventory reserve is expensed over the remainder of the year.
5. Reference is made to "Legal Proceedings" and to elsewhere in this report for a description of certain contingencies which may have a materially adverse effect on L-P and for a description of settlements of certain class action proceedings.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

RESULTS OF OPERATIONS

General

Continued weakness in pulp markets, due largely to high world-wide pulp inventory levels, was the single largest cause of lower sales and profits in the second quarter and first six months of 1996 compared to 1995. An oversupply of structural panel products, particularly in the first quarter of 1996, also contributed to a decline in the six month sales and profits. Overall net income for the second quarter declined 20 percent to \$21.0 million (\$.19 per share) in 1996 from \$26.3 million (\$.25 per share) in 1995. Six months net income fell 78 percent to \$17.4 million (\$.16 per share) in 1996 from \$80.6 million (\$.75 per share) in 1995. Net sales declined 7 percent in the second quarter of 1996 to \$658.3 million from \$709.3 million in 1995. For the first six months of 1996, sales fell 11 percent to \$1,242.4 million from \$1,396.1 million in 1995.

L-P operates in two segments: building products and pulp. Building products is the most significant segment, accounting for more than 86 percent of sales and more than 78 percent of operating profit in the first six months of 1996 and 1995. The results of operations are discussed separately for each segment below. Key segment information, production volumes and industry product price trends are presented in the following tables labeled "Sales and Operating Profit by Major Product Group", "Summary of Production Volumes" and "Industry Product Price Trends."

Building Products Segment

	Quarter Ended June 30			Six Months Ended June 30		
	1996	1995	% Chg	1996	1995	%
(Dollar amounts in millions)						
Sales:						
2% Structural panels	\$280.2	\$264.2	+6%	\$ 514.2	\$ 526.1	-
8% Lumber	164.2	175.2	-6%	302.6	327.2	-
12% Industrial panel products	51.3	53.0	-3%	97.9	111.5	-
2% Other building products	121.7	121.4	0%	236.3	240.1	-
5% Total building products	\$617.4	\$613.8	+1%	\$1,151.0	\$1,204.9	-
Operating profit	\$ 72.3	\$ 63.3	+14%	\$ 102.3	\$ 153.7	-
33%						

Structural panel products (plywood and oriented strand board (OSB)) prices were lower an average of 11% in the second quarter of 1996 compared to 1995 (15% lower for the six month period) due to an oversupply of structural panel products in North America. L-P and its competitors have opened numerous new OSB plants in 1995 and 1996 and more are scheduled to open through late 1997, which has significantly increased the structural panel capacity in North America. L-P structural panel sales volumes increased in the second quarter and first six months largely due to the start-up of new OSB production facilities by L-P in the U.S., Canada and Ireland.

Lumber sales have decreased in 1996 from 1995 for both the second quarter and first six month periods because of significantly lower volumes resulting from the permanent closure of approximately 15 unprofitable sawmills (not all of these mills were producing immediately prior to their closure). These lower volumes of lumber produced have been partially offset by an increase in the volume of lumber sold through L-P's wholesale operations. Sales prices averaged a 10% increase in the second quarter of 1996 compared to 1995 (2%

higher for the six month period). Lumber markets have generally been stronger in 1996 due to a strong economy, lower U.S. production volumes and lower volumes of lumber imported from Canada.

Industrial panel products (particleboard, medium-density fiberboard (MDF) and hardboard) sales decreased slightly in the second quarter of 1996 compared to 1995 due to lower average selling prices of approximately 11%, offset by higher volume of about 10%. The largest change in selling prices was in MDF (approximately 18% lower) which is due to new industry capacity without a significant change in demand. For the six month period, the decrease in sales was caused primarily by approximately 13% lower average selling prices (for the same reason discussed above) with no significant change in volume.

Sales in the other building products category have remained virtually unchanged in the second quarter of 1996 compared to 1995. However, the mix of products sold within the category changed with significantly lower chip sales (due to lower sawmill production and lower chip prices) offset by increases in engineered wood products and other products. For the six month periods, the decrease in chip sales was not completely offset by increases in sales for other products.

The increase in building products operating profit in the second quarter of 1996 over 1995 is primarily due to lumber. Higher sales prices (discussed above) combined with lower log costs turned lumber profits from a loss in 1995 to a profit in 1996. Lower margins, due to lower per unit sales prices (discussed above) in structural panel products, industrial panel products and other building products partially offset the higher margins in lumber.

For the first six months, the decrease in building products operating profit was caused by the lower sales prices (discussed above) for nearly all products, particularly in the first three months of the year. Raw material prices have generally been lower in 1996 than in 1995, helping to offset the decrease in selling prices. The demand for wood chips has decreased in 1996, which has reduced by-product income particularly at L-P's sawmills.

L-P's building products are primarily sold as commodities and therefore sales prices fluctuate based on market factors over which L-P has no control. L-P cannot predict whether the prices of its building products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. Therefore, L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

Subsequent to the end of the second quarter, prices for structural panel have decreased (see following table labeled "Industry Product Price Trends"). L-P expects that prices will either remain depressed or experience significant volatility through at least the remainder of 1996 due to the excess production capacity discussed above.

Pulp Segment

	Quarter Ended June 30			Six Months Ended June 30		
	1996	1995	% Chg	1996	1995	% Chg
	(Dollar amounts in millions)					
Pulp sales	\$ 40.9	\$ 95.5	-57%	\$ 91.4	\$191.2	-52%
Operating profit	\$(30.5)	\$ 23.2		\$(52.4)	\$ 42.0	

Pulp segment sales fell dramatically in both the second quarter and first six months of 1996 compared to 1995. Prices decreased 56 percent in the second quarter and 38 percent for the first six months from the comparable periods a year ago. Sales volumes decreased approximately 4 percent during the second quarter and 23 percent during the first six months of 1996 compared to 1995. Large world-wide pulp inventories at the end of 1995 have carried through the first six months of 1996, creating very weak pulp markets. Decreased volumes were the result of lower production due to the weak markets and unscheduled maintenance shut-downs.

Pulp segment operating profits were severely impacted by the decreased sales prices, resulting in operating losses in 1996 compared to operating profit in 1995. Inventory market write-downs have also contributed to the operating losses in 1996. Raw material costs in 1996 (purchased chips and/or raw logs for chipping) for the Samoa, California and Chetwynd, British

Columbia mills have been comparable to or lower than 1995. However, the mill operated by L-P's Ketchikan Pulp Company subsidiary has experienced very high raw material costs in 1996. The US Forest Service has not released adequate volume from the long-term timber supply contract which has forced KPC to obtain logs from higher-priced outside sources. More than half of the pulp operating loss in the second quarter of 1996 was attributable to KPC. See "Ketchikan Pulp Company Update" below.

L-P's pulp products are primarily sold as commodities and therefore sales prices fluctuate based on market factors over which L-P has no control. L-P cannot predict whether the prices of its pulp products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. Therefore, L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

The excess inventory situation in the world-wide pulp markets appeared to be much less severe by the end of the second quarter, and L-P expects that prices for certain of its pulp products will increase slightly to moderately over the remainder of the year.

Unallocated Expense

Unallocated expense decreased in the second quarter of 1996 to \$6.8 million from \$44.9 million in 1995. The largest factor in the decrease was that second quarter 1995 unallocated expenses included a \$25 million charge for an increase in litigation-related reserves. In the second quarter of 1996, non-recurring credits of \$10.0 million were taken against the unallocated expense, primarily a gain on the sale of a sawmill and related timberland in Pilot Rock, Oregon. Lower advertising expenditures and lower unreserved litigation-related expenses also contributed to the decrease. For the six month period, unallocated expenses decreased to \$19.9 million from \$67.6 million. This decrease was primarily related to the second quarter decrease, as well as lower stock compensation expenses. Also netted against first quarter 1996 unallocated expenses was a recovery by KPC of \$5 million, plus interest, from the US Forest Service for damages sustained as a result of changes in the long-term timber supply contract.

Net Interest Income (Expense)

L-P's interest expense (net of capitalized interest and interest income) has increased in 1996 primarily resulting from increased borrowings and lower levels of cash and cash equivalents on which L-P earns interest income.

Legal and Environmental Matters

Refer to the "Legal Proceedings" section of this Form 10-Q for a discussion of certain environmental litigation and other litigation and its potential impact on L-P.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations decreased to \$87.7 million in the first six months of 1996 from \$181.2 million in the first six months of 1995. The decrease was primarily caused by lower net income (\$17.4 million in 1996 and \$80.6 million in 1995) and by \$123.4 million cash paid against accrued settlement liabilities. These cash uses were partially offset by a reduction in inventories and an increase in accounts payable and accrued liabilities.

Cash used in investing activities decreased to \$167.5 million from \$193.9 million in 1995, primarily due to decreased capital expenditures. The largest portion of these capital expenditures were for new production facilities and the acquisition of Associated Chemists, Inc. Significant amounts have also been spent on environmental projects (such as pollution control equipment) and upgrades of existing production facilities. L-P is budgeting capital expenditures, including timber and logging road additions, for all of 1996 of approximately \$300 million.

Cash provided by financing activities for the first six months of 1996 was \$58.6 million compared to cash used by financing activities in the same period in 1995 of \$214.0 million. In 1996, L-P had net new borrowings of \$82.7 million compared with net repayments in 1995 of \$62.0 million. In 1996, L-P has not purchased any treasury shares compared to \$120.2 million of purchases in 1995.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (principally payments for siding litigations costs),

total \$277.1 million at June 30, 1996, of which \$100 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. L-P has been named as a defendant in other litigation for which reserves have not been established. See "Legal Proceedings" for a description of certain pending legal proceedings.

L-P continues to be in a strong financial condition with \$54.2 million of cash and cash equivalents and a low ratio of long-term debt as a percent of total capitalization. Although cash and cash equivalents decreased, existing amounts, combined with borrowings available under L-P's \$300 million revolving credit facility and cash to be generated from operations are expected to be sufficient to meet projected cash needs including the payments related to the siding litigation costs referred to above. The company also believes that because of its conservative financial structure and policies, it has substantial financial flexibility to generate additional funds should the need arise.

Ketchikan Pulp Company Update

Ketchikan Pulp Company (KPC) is a wholly-owned subsidiary of the registrant. KPC operates a dissolving pulp mill and two sawmills in Southeast Alaska and has a long-term timber cutting contract with the U.S. Forest Service (USFS) on the Tongass National Forest which is intended to supply approximately 75 percent of the wood fiber requirements of the manufacturing facilities. The contract is a 50-year contract expiring in 2004.

In November, 1990, Congress passed the Tongass Timber Reform Act (TTRA) which made a number of unilateral modifications to the long-term contract and which required the USFS to incorporate those modifications in a revised contract document (the Unilateral Terms). TTRA and the Unilateral Terms have caused KPC to incur substantial additional costs and have disrupted the continuity of operations by, among other things, leading to a failure on the part of the USFS to provide the timber volumes specified in the contract. These issues are currently the subject of three claims filed against the USFS in the United States Court of Federal Claims which seek in excess of \$200 million. In addition, KPC has been prosecuting two additional claims against the USFS in the same court which deal with contract issues predating TTRA and the Unilateral Terms. One of these two claims was recently concluded with KPC receiving a total payment of \$6.1 million. The other claim seeks in excess of \$30 million. None of the claims currently in litigation have been recorded for financial reporting purposes.

Following a concerted effort by KPC, citizens of Southeast Alaska, the Governor, and legislators of Alaska, legislation has been introduced in Congress which would extend the contract term 15 years beyond the current expiration date and revise the contract language to provide relief from a number of the problems and hardships caused by TTRA and the Unilateral Terms.

KPC's pulp mill has been the subject of certain water and air compliance issues during the late 1980's and early 1990's. In 1995, KPC entered into a civil consent decree, which is further described under the Legal Proceedings section of this report, requiring KPC to complete certain capital projects at the pulp mill. In addition, management plans numerous other capital projects in the next several years to modernize and improve the efficiency of the mill. These projects could total up to \$200 million.

Management cannot assess the probability of enactment of the legislation, but without such resolution, the future operations of KPC are in doubt. If KPC is forced to close its facilities permanently, it would be required to record a charge currently estimated at \$125 to \$150 million for the write-down of the net book value of its facilities and other shutdown costs. Management also cannot assess the probability of success in resolving current and any future claims for damages against the USFS.

Sales and Operating Profit by Major Product Group
Louisiana-Pacific Corporation and Subsidiaries
(Dollar amounts in millions) (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Sales:				
Structural panel products	\$ 280.2	\$ 264.2	\$ 514.2	\$ 526.1
Lumber	164.2	175.2	302.6	327.2
Industrial panel products	51.3	53.0	97.9	111.5
Other building products	121.7	121.4	236.3	240.1
	-----	-----	-----	-----
Total building products	617.4	613.8	1,151.0	1,204.9
Pulp	40.9	95.5	91.4	191.2
	-----	-----	-----	-----
Total sales	\$ 658.3	\$ 709.3	\$1,242.4	\$1,396.1
	=====	=====	=====	=====
Export sales	\$ 58.3	\$ 129.1	\$ 137.8	\$ 256.4
	=====	=====	=====	=====
Operating profit:				
Building products	\$ 72.3	\$ 63.3	\$ 102.3	\$ 153.7
Pulp	(30.5)	23.2	(52.4)	42.0
	-----	-----	-----	-----
Total operating profit	41.8	86.5	49.9	195.7
Unallocated expense, net (67.6)	(6.8)	(44.9)	(19.9)	
Interest income (expense), net	(.5)	.3	(.5)	1.1
	-----	-----	-----	-----
Income before taxes and minority interest	\$ 34.5	\$ 41.9	\$ 29.5	\$ 129.2
	=====	=====	=====	=====

Summary of Production Volumes
Louisiana-Pacific Corporation and Subsidiaries
(Volume amounts stated in millions unless otherwise
noted and as a percent of normal capacity)

	Quarter Ended June 30				Six Months Ended June 30			
	1996		1995		1996		1995	
Oriented strand board, sq ft 3/8" basis	1,034	85%	875	96%	1,862	84%	1,690	92%
Softwood plywood, sq ft 3/8" basis	423	110	334	82	832	108	658	81
Lumber, board feet	326	79	352	58	608	74	693	57
Medium density fiberboard, sq ft 3/4" basis	55	98	55	97	102	91	108	96
Particleboard, sq ft 3/4" basis	89	99	84	93	170	94	174	97
Hardboard, sq ft 1/8" basis	57	104	56	101	111	101	105	96
Hardwood veneer, sq ft surface measure	56	90	61	98	106	85	134	107
Pulp, thousand short tons	121	84	132	88	208	72	267	89
Chips, thousand BDU's	402		458		824		930	

Industry Product Price Trends
Louisiana-Pacific Corporation and Subsidiaries

	OSB ----- N. Central 7/16" basis 24/16 span rating -----	Plywood ----- Southern Pine 1/2 basis CDX 3 ply -----	Lumber ----- Framing lumber composite prices -----	Particleboard ----- Inland Industrial 3/4" basis -----
Annual Average				
1991	148	191	236	198
1992	217	248	287	200
1993	236	282	394	258
1994	265	302	405	295
1995	245	303	337	290
1995 Second Quarter Average	210	303	317	295
1996 First Quarter Average	191	254	341	277
1996 Second Quarter Average	203	246	393	277
Weekly Average				
July 3	175	230	390	277
July 12	185	238	396	277
July 19	185	240	401	277

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

The following sets forth the current status of certain legal proceedings:

Environmental Proceedings

In March 1995, L-P's subsidiary Ketchikan Pulp Company (KPC) entered into agreements with the federal government to resolve the issues related to water and air compliance problems experienced at KPC's pulp mill during the late 1980s and early 1990s. Under the agreements, KPC entered into a civil consent decree and pled guilty to one felony and thirteen misdemeanor violations of the Clean Water Act. The settlement required KPC to pay civil and criminal penalties of \$6.0 million, of which \$1.75 million was suspended in consideration of KPC's expenditures and ongoing efforts to improve its operations. The penalties were substantially reserved for at December 31, 1994. KPC also agreed to undertake further expenditures, which are primarily capital in nature, including certain remedial and pollution control related measures, with an estimated cost of up to approximately \$20 million. KPC has also agreed to undertake a study of whether a clean-up of Ward Cove, the body of water adjacent to the pulp mill, is needed. If the study determines that such clean-up is needed, KPC may be required to spend up to \$6 million on the clean-up, including the cost of the study, as part of the overall \$20 million of expenditures. At this time, the company cannot estimate what portion, if any, of the clean-up expenditures will be required.

KPC has entered into an agreement with the United States Department of Justice settling alleged violations of the Clean Air Act involving a waste wood incinerator at KPC's Annette Island, Alaska, cant mill. Pursuant to the agreement, KPC paid a civil penalty of \$359,000.

In March 1996, an information was filed in the United States District Court for the Eastern District of Washington charging L-P with two misdemeanor counts related to alleged record-keeping violations in connection with the disposal by an independent contractor of transformers from a mill owned by L-P in 1991.

The USFS has named KPC as a potentially responsible party for clean-up costs related to a landfill near Thorne Bay, Alaska. The USFS has indicated clean-up costs may range up to \$5 million.

Although L-P's policy is to comply with all applicable environmental laws and regulations, the company has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Also, L-P is involved in other environmental actions and proceedings which could result in fines or penalties. Management believes that any fines, penalties or other losses resulting from the matters discussed above in excess of the reserve for environmental loss contingencies will not have a material adverse effect on the business, financial position or results of operations of L-P. See "Colorado Criminal Proceedings" for further discussion of an environmental action against the company.

Colorado Criminal Proceedings

L-P began an internal investigation at L-P's Montrose (Olathe), Colorado, oriented strand board (OSB) plant of various matters, including certain environmental matters, in the summer of 1992 and reported its initial finding of irregularities to governmental authorities in September 1992. Shortly thereafter, a federal grand jury commenced an investigation of L-P concerning alleged environmental violations at that plant. In 1995, additional subpoenas were issued requiring the production of evidence and testimony relating to alleged fraud in connection with the submission of unrepresentative OSB product samples to the APA-The Engineered Wood Association (APA), an industry product certification agency, by L-P's Montrose plant and certain of its other OSB plants. L-P then commenced an independent investigation, which was concluded in 1995, under the direction of former federal judge Charles B. Renfrew concerning irregularities in sampling and quality assurance in its OSB operations. In June 1995, the grand jury returned an indictment in the U.S. District Court in Denver, Colorado, against L-P, a former manager of the Montrose mill, and a former superintendent at the mill. L-P is now facing 23 felony counts related to environmental matters at the Montrose mill, including alleged conspiracy, tampering with opacity monitoring equipment, and making false statements under the Clean Air Act. The indictment also charges L-P with 25 felony counts of fraud relating to alleged use of the APA trademark on

OSB structural panel products produced by the Montrose mill as a result of L-P's allegedly improper sampling practices in connection with the APA quality assurance program. No trial date has been set.

In December 1995, L-P received a notice of suspension from the United States Environmental Protection Agency ("EPA") stating that, because of criminal proceedings pending against L-P in Colorado, agencies of the federal government would be prohibited from purchasing from L-P's Northern Division. L-P is negotiating to have the EPA suspension lifted or modified based on positive environmental programs actively underway. While negotiations are continuing, the EPA has approved a preliminary agreement limiting the prohibition to L-P's Montrose, Colorado, facility for a period of six months in recognition of L-P's environmental compliance efforts. Under recently revised regulations of the United States Department of Agriculture, the EPA suspension will also have the effect of prohibiting L-P's Montrose facility from purchasing timber directly, but not indirectly, from the United States Forest Service.

At the present time, L-P cannot predict whether or to what extent these circumstances will result in further civil litigation or investigation by government authorities, or the potential financial impact of any such current or future proceedings. However, the resolution of the above matters could have a materially adverse impact on L-P.

OSB Siding Matters

L-P has been named as a defendant in at least 12 purported class actions filed in various jurisdictions, as well as numerous non-class action proceedings, brought on behalf of various persons or purported classes of persons (including nationwide classes in the United States and Canada) who own or have purchased or used OSB siding manufactured by L-P, because of alleged unfair business practices, breach of warranty, misrepresentation, conspiracy to defraud, and other theories related to alleged defects, deterioration, or failure of OSB siding products.

A settlement of one of the OSB siding class actions has been approved by the Circuit Court for Lake County, Florida. Under the settlement, L-P has established a claims procedure pursuant to which members of the settlement class may report problems with L-P's OSB siding and have their properties inspected by an independent adjuster, who will measure the amount of damage and also determine the extent to which improper design, construction, installation, finishing, painting, and maintenance may have contributed to any damage. The maximum payment for damaged siding will be \$3.40 per square foot for lap siding and \$2.82 per square foot for panel siding, subject to reduction of up to 75 percent for damage resulting from improper design, construction, installation, finishing, painting, or maintenance, and also subject to reduction for age of siding more than three years old. L-P has agreed with attorneys representing the class that if the national class settlement in the federal court in Oregon described below becomes final, then the deduction from the payment to a member of the Florida class will be not greater than the deduction computed for a similar claimant under the national settlement agreement. Class members will be entitled to make claims for up to five years after October 4, 1995. As of July 15, 1996, approximately 16,000 claims forms had been requested and mailed; approximately 7,800 completed claims forms had been returned, and approximately 6,700 inspections had been completed; this resulted in approximately 5,000 allowed claims, approximately 4,500 of which had been paid at an aggregate cost of approximately \$15 million (including adjustments to deductions to conform to the national settlement).

In April 1996, the United States District Court for the District of Oregon approved an amended settlement agreement between L-P and attorneys representing a nationwide class composed of all persons who own, who have owned, or who subsequently acquire property on which L-P's OSB siding was installed prior to January 1, 1996, excluding persons who timely opt out of the settlement and persons who are members of the settlement class in the Florida litigation. Under the settlement agreement, an eligible claimant whose claim is filed prior to January 1, 2003 (or earlier in certain cases), and is approved by an independent claims administrator will be entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (to be determined by a third-party construction cost estimator and currently estimated to be in the range \$2.20 to \$6.40 per square foot depending on the type of product and geographic location) of damaged siding, reduced by a specific adjustment (of up to 65 percent) based on the age of the siding. Class members who have previously submitted or resolved claims under any other warranty or claims program of L-P may be entitled to receive the difference between the amount which would be payable under the settlement agreement and the amount previously paid. Independent adjusters will determine the extent of damage to OSB siding at each claimant's property in accordance with a specified protocol. There will be no adjustment

to settlement payments for improper maintenance or installation.

A claimant who is dissatisfied with the amount to be paid under the settlement may elect to pursue claims against L-P in a binding arbitration seeking compensatory damages without regard to the amount of payment calculated under the settlement protocol. A claimant who elects to pursue an arbitration claim must prove his entitlement to damages under any available legal theory, and L-P may assert any available defense, including defenses that otherwise had been waived under the settlement agreement. If the arbitrator reduces the damage award otherwise payable to the claimant because of a finding of improper installation, the claimant will be entitled to pursue a claim against the contractor/builder to the extent the award was reduced.

L-P will be required to pay \$275 million into the settlement fund in seven annual installments beginning in mid-1996: \$100 million, \$55 million, \$40 million, \$30 million, \$20 million, \$15 million, and \$15 million. If at any time after the fourth year of the settlement period the amount of approved claims (paid and pending) equals or exceeds \$275 million, then the settlement agreement will terminate as to all claims in excess of \$275 million unless L-P timely elects to provide additional funding within 12 months equal to the lesser of (i) the excess of unfunded claims over \$275 million or (ii) \$50 million and, if necessary to satisfy unfunded claims, a second payment within 24 months equal to the lesser of (i) the remaining unfunded amount or (ii) \$50 million. If the total payments to the settlement fund are insufficient to satisfy in full all approved claims filed prior to January 1, 2003, then L-P may elect to satisfy the unfunded claims by making additional payments into the settlement fund at the end of each of the next two 12-month periods or until all claims are paid in full, with each additional payment being in an amount equal to the greater of (i) 50 percent of the aggregate sum of all remaining unfunded approved claims or (ii) 100 percent of the aggregate amount of unfunded approved claims, up to a maximum of \$50 million. If L-P fails to make any such additional payment, all class members whose claims remain unsatisfied from the settlement fund may pursue any available legal remedies against L-P without regard to the release of claims provided in the settlement agreement.

If L-P makes all payments required under the settlement agreement, including all additional payments as specified above, class members will be deemed to have released L-P from all claims for damaged OSB siding, except for claims arising under their existing 25-year limited warranty after termination of the settlement agreement. The settlement agreement does not cover consequential damages resulting from damage to OSB siding or damage to utility grade OSB siding (sold without any express warranty), both of which are the subject of additional claims. In the event all claims filed prior to January 1, 2003, that are approved have been paid without exhausting the settlement fund, any amounts remaining in the settlement fund revert to L-P. In addition to payments to the settlement fund, L-P will be required to pay fees of class counsel in the amount of \$26.25 million, as well as expenses of administering the settlement fund and inspecting properties for damage, any amounts of arbitration awards in excess of the amounts calculated under the settlement protocol, and certain other costs. As of July 15, 1996, approximately \$23 million of the first year's \$100 million installment had been spent to cover class notification costs and prior claims costs, including interim payments advanced to homeowners in urgent circumstances. By that date, approximately 53,000 claims forms had been requested and mailed; inspections and claims payments were at a very early stage.

Potential members of the settlement class were entitled to opt out of the settlement class until May 27, 1996. Approximately 1,400 opt out notices were timely submitted; this has resulted in numerous additional claims being filed by those who opted out, predominantly by owners/developers of commercial properties. An appeal from the court's order approving the settlement has been filed.

L-P maintains reserves for the estimated costs of these siding settlements, although, as with any estimate, there is uncertainty concerning the actual costs to be incurred. The discussion above notes some of the factors, in addition to the inherent uncertainty of predicting the outcome of claims and litigation, that could cause actual costs to vary materially from current estimates.

Other OSB Matters

Three separate purported class actions on behalf of owners and purchasers of properties in which L-P's OSB panels are used for flooring, sheathing, or underlayment have been consolidated in the United States District Court for the Northern District of California under the caption *Agius v. Louisiana-Pacific Corporation*. The actions seek damages and equitable relief for alleged fraud, misrepresentation, breach of warranty, negligence, and improper trade practices related to alleged improprieties in testing, APA

certification, and marketing of OSB structural panels, and alleged premature deterioration of such panels. A separate state court action entitled Carney v. Louisiana-Pacific Corporation is pending in the Superior Court of the State of California for the City and County of San Francisco, seeking relief under California consumer protection statutes based on similar allegations.

At the present time, L-P cannot predict the potential financial impact of the above actions. However, the resolution of the above matters could have a materially adverse impact on L-P.

Stockholder Actions

L-P and certain of its present and former executive officers were named as defendants in numerous actions brought on behalf of various purported classes of purchasers of L-P's common stock. The actions subsequently were consolidated in the United States District Court for the District of Oregon under the caption In Re Louisiana Pacific Corp. Securities Litigation, Civil Action No. 95-707-J0. Plaintiffs seek to recover damages under the securities laws for alleged failures to disclose or improper disclosures generally relating to the various legal proceedings described above and the matters that are the subject of such proceedings. Motions to Dismiss have been denied and the Court has conditionally certified the class as requested by the attorneys appointed to act as lead counsel for the plaintiff class. L-P is defending the consolidated action vigorously, but is unable to make any prediction as to the likely outcome or the financial impact of an adverse decision. However, the resolution of the above matters could have a materially adverse impact on L-P.

Five individual directors (Messrs. du Pont, Kayser, and Yeager, Ms. Hill and Mrs. Neff) and three former directors of the registrant have been named as defendants in ten stockholder derivative actions, which also name the registrant as a nominal defendant. Eight of these actions were brought in the Court of Chancery of the State of Delaware in and for New Castle County and have been consolidated under the caption In re Louisiana-Pacific Corporation Derivative Litigation, Civil Action No. 14322 (the "Delaware action"). One action, captioned Silverman, et al. v. Merlo, et al., No. 9505-03630, was brought in the Circuit Court of the State of Oregon for the County of Multnomah (the "Oregon action"). The remaining action, captioned Rand v. Merlo, et al., No. 95-Z-1511, was brought in the United States District Court for the District of Colorado (the "Colorado action"). The actions seek to recover damages from the directors on behalf of the corporation because of alleged mismanagement and breaches of fiduciary duty generally related to the various legal proceedings described above and the matters that are the subject of such legal proceedings. The individual directors, former directors, the registrant, and attorneys representing plaintiffs have entered into a memorandum of understanding concerning a proposed settlement of the derivative actions without payment by the directors or former directors or any admission of liability. The settlement recognizes the recent management changes effected by the registrant and certain other actions taken and to be taken by the registrant with respect to quality control. The proposed settlement is subject to confirmatory discovery by attorneys for plaintiffs and approval by the courts.

Executive Employment Matter

In January 1996, an action entitled International Paper Company v. Mark A. Suwyn and Louisiana-Pacific Corporation was instituted in the United States District Court for the Southern District of New York claiming that Mr. Suwyn's employment as chief executive officer of L-P violated the terms of a previous employment agreement with the plaintiff. The complaint seeks an injunction prohibiting Mr. Suwyn from continuing his employment with L-P for 18 months and other relief. L-P believes there are meritorious defenses related to this case and does not believe that there is any material liability related to this case.

Other

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

Item 4. Submission of Matters to a Vote of Security-Holders

The Registrant held its annual meeting of stockholders on May 6, 1996. The following summarizes the matters voted upon at the meeting and the results of the voting:

Directors elected for a term of office expiring 1999:

Name of Director Withheld	Shares Voted For	Shares Individually
Pierre S. du Pont	86,198,168	1,238,186
William E. Flaherty	87,352,132	84,222
Donald R. Kayser	86,451,892	984,462

Description of Proposal	Shares For	Shares Against	Shares Abstained	Broker Non-Votes
Approval of performance goals under a performance-based incentive bonus plan	83,317,938	5,843,480	724,575	0
Approval of 1996 Employee Stock Purchase Plan	82,575,452	6,819,786	490,755	0
Approval of Arthur Andersen LLP as auditors for 1996	89,241,266	329,763	490,755	0
Stockholder proposal relating to classification of the board of directors	31,976,109	41,980,052	1,276,161	14,653,671
Stockholder proposal related to personal liability of directors	7,472,026	66,354,455	1,405,841	14,653,671
Stockholder proposal relating to compensation and workplace policies	5,476,713	66,883,181	2,872,428	14,653,671

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

- (a) The exhibits filed as part of this report or incorporated by reference herein are listed in the accompanying exhibit index.
- (b) Reports on Form 8-K. No reports on Form 8-K were filed during the quarter ended June 30, 1996.

SIGNATURES

Pursuant to the requirements of the Securities 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

By /s/ WILLIAM L. HEBERT
William L. Hebert
Vice President - Treasurer
and Controller
(Principal Financial Officer)

DATED: August 14, 1996

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.B	Bylaws of the Registrant as amended to date
10.A	Performance-Based Incentive Bonus Plan
10.B	Performance-Based Incentive Bonus Award
11	Calculation of Net Income Per Share for the Three Months Ended June 30, 1996
27	Financial Data Schedule

EXHIBIT 3.B

BYLAWS OF
LOUISIANA-PACIFIC CORPORATION

ARTICLE I. STOCKHOLDERS' MEETINGS

Section 1. Annual Meeting. The annual meeting of the stockholders shall be held on the first Friday in the month of May in each year at 10:30 a.m. or at such other time or date in April or May of each year as shall be fixed by the Board of Directors, for the election of directors and the transaction of such other business as may properly come before the meeting. If the date fixed for the annual meeting shall be a legal holiday in the place of the meeting, the meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the stockholders for any proper purposes, unless otherwise provided by the law of Delaware, may be called by the Chairman or pursuant to resolution of the Board of Directors and shall be called by the Chairman at the request in writing of a majority of the directors. Business transacted at a special meeting of stockholders shall be confined to the purpose or purposes of the meeting as stated in the notice of the meeting.

Section 3. Place of Meetings. Meetings of the stockholders may be held at such places, within or without the State of Delaware, as the Board of Directors or the officer calling the same shall specify in the notice of such meeting.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman, the President, the Secretary, or other persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. When a meeting is adjourned to another time or place, notice of the adjourned meeting need not be given provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, the adjournment is for no more than thirty days, and after the adjournment no new record date is fixed for the adjourned meeting. Notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting if all the conditions of the proviso in the preceding sentence are not met. At an adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting.

Section 5. Quorum. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders except as otherwise provided by statute or in the Certificate of Incorporation. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 6. Organization. At each meeting of the stockholders the Chairman, or in his absence or inability to act, the President, or in the absence or inability to act of the Chairman and the President, a Vice President, or in the absence of all the foregoing, any person chosen by a majority of those stockholders present shall act as chairman of the meeting. The Secretary, or, in his absence or inability to act, the Assistant Secretary or any person appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

Section 7. Conduct of Business. The Board of Directors shall have authority to determine from time to time the procedures governing, and the rules of conduct applicable to, annual and special meetings of the stockholders. Except as otherwise determined by the Board of Directors prior to the meeting, the chairman of any stockholders meeting shall determine the order of business and shall have authority in his discretion to adjourn such meeting and to determine the procedures governing such meeting and to regulate the conduct thereat, including, without limitation, imposing restrictions on the persons (other than stockholders of the corporation or their duly appointed proxies) who may attend any such stockholders meeting, determining

whether any stockholder or any proxy may be excluded from any stockholders meeting based upon any determination by the chairman in his sole discretion that any such person has unduly disrupted or is likely to disrupt the proceedings thereat and specifying the circumstances in which any person may make a statement or ask questions at any stockholders meetings.

Section 8. Voting. Except as otherwise provided by statute, the Certificate of Incorporation, or any certificate duly filed pursuant to Section 151 of the Delaware General Corporation Law, each stockholder shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of capital stock held of record by him on the date fixed by the Board of Directors as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or if such record date shall not have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given. Except as otherwise provided by statute, these Bylaws, or the Certificate of Incorporation, any corporate action to be taken by vote of the stockholders shall be authorized by a majority of the total votes, or when stockholders are required to vote by class by a majority of the votes of the appropriate class, cast at a meeting of stockholders by the holders of shares present in person or represented by proxy and entitled to vote on such action. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by written ballot and may be by such other means as the chairman deems advisable under the circumstances. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

Section 9. Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by a proxy signed by such stockholder or his attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof, unless otherwise provided in the proxy.

Section 10. List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 11. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may appoint inspectors. The inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes or ballots, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes or ballots, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as inspector of an election of directors. Inspectors need not be stockholders.

Section 12. Denial of Action by Consent of Stockholders. No action required to be taken or which may be taken at any annual or special meeting of the stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Section 13. Nominations for Director. Nominations for election to the Board of Directors may be made by the Board of Directors or by any stockholder of record entitled to vote for the election of directors. Any stockholder entitled to vote for the election of directors may nominate at a meeting persons for election as directors only if written notice of such stockholder's intent to make such nomination is given, either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices not later than (i) with respect to an election to be held at an annual meeting of stockholders, 60 days prior to the date of such meeting (provided that if such annual meeting of stockholders is held on

a date other than the first Friday in May, such written notice must be given within 10 days after the first public disclosure of the date of the annual meeting, including, without limitation, disclosure of the meeting date set forth in any document or exhibit thereto filed by the Corporation with the Securities and Exchange Commission), and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address, as they appear on the Corporation's stock ledger, of the stockholder who intends to make the nomination and the name and address of each person to be nominated; (b) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to nominate the person or persons specified in the notice as directors; (c) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission were such nominee to be nominated by the Board of Directors; and (e) the consent of each proposed nominee to serve as a director of the Corporation if so elected. The chairman of any meeting of stockholders to elect directors may refuse to permit the nomination of any person to be made without compliance with the foregoing procedure.

Section 14. Notice of Stockholder Business. At any annual meeting of the stockholders held after May 6, 1988, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of record of the Corporation who complies with the notice procedures set forth in this Section 14. For business to be properly brought before an annual meeting by any such stockholder, the stockholder must give written notice thereof to the Chairman, either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices not less than 60 nor more than 90 days in advance of such meeting (provided that if such annual meeting of stockholders is held on a date other than the first Friday in May, such written notice must be given within 10 days after the first public disclosure of the date of the annual meeting, including, without limitation, disclosure of the meeting date set forth in any document or exhibit thereto filed by the Corporation with the Securities and Exchange Commission). Each such notice shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's stock ledger, of the stockholder proposing such business, (c) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to propose such business, and (d) any material interest of such stockholder in the proposed business. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that any such business was not properly brought before the meeting and in accordance with the provisions of this Section 14, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

ARTICLE II. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. Number, Classification, Election and Qualification. The number of directors of the Corporation shall be nine, but, by vote of a majority of the entire Board of Directors or amendment of these Bylaws, the number thereof may be increased or decreased to such greater or lesser number (not less than three) as may be so provided. At the first election of directors by the stockholders, the directors shall be divided into three classes; the term of office of those of the first class to expire at the first annual meeting thereafter; of the second class at the second annual meeting thereafter; and of the third class at the third annual meeting thereafter. At each annual election held after such classification and election, directors shall be elected to succeed those whose terms expire, each such newly elected director to hold office for a term of three years and until his successor is elected or until his death, resignation, retirement or removal. Except as otherwise provided by statute or these Bylaws, directors shall be elected at the annual meeting of the stockholders, and the persons receiving a plurality of the votes cast at such election shall be elected, provided that a quorum is present at the meeting. Directors need not be stockholders.

Section 3. Place of Meetings. Meetings of the Board of Directors may

be held at such place, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice or waiver of notice of such meeting.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders for the purpose of electing officers and the transaction of other business. The Board of Directors may provide by resolution the time and place, either within or without the State of Delaware, for holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman, President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Notice of any special meeting shall be given personally or by telephone to each director at least twenty-four hours before the time at which the meeting is to be held or shall be mailed to each director, postage prepaid, at his residence or business address at least three days before the day on which the meeting is to be held; provided that, in the case of any special meeting to be held by conference telephone or similar communications equipment, notice of such meeting may be given personally or by telephone to each director not less than six hours before the time at which the meeting is to be held. Except as otherwise specifically provided in these Bylaws, neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice of the meeting.

Section 7. Quorum and Manner of Acting. A majority of the entire Board of Directors shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting, except that one-third of the entire Board of Directors present in person at a meeting shall constitute a quorum if the Chairman is present at the meeting. Except as otherwise specifically required by statute or the Certificate of Incorporation, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present or, if no director be present, the Secretary, may adjourn such meeting to another time and place. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Except as provided in Article III of these Bylaws, the directors shall act only as a board of directors and the individual directors shall have no power as such.

Section 8. Organization. At each meeting of the Board of Directors, the Chairman (or, in his absence or inability to act, the President, or in his absence or inability to act, another director chosen by a majority of the directors present) shall act as chairman of the meeting. The Secretary (or, in his absence or inability to act, any person appointed by the chairman) shall act as secretary of the meeting and keep the minutes thereof.

Section 9. Resignations. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors or Chairman or the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Vacancies and Newly Created Directorships. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of the class for which such director has been chosen and until his successor is elected and qualified, or until his earlier resignation or removal. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Section 11. Removal of Directors. All or any number of the directors may be removed at any time, but only for cause and only by the affirmative vote of the holders of at least 75 percent of the outstanding Common Stock of the Corporation at a meeting of the stockholders expressly called for that

purpose. A vacancy in the Board of Directors caused by any such removal may be filled by such stockholders at such meeting, or if the stockholders shall fail to fill such vacancy, as in these Bylaws provided.

Section 12. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity, provided, no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. Board and Committee Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 14. Board and Committee Telephonic Meetings. A director or a member of a committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

ARTICLE III. EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive and Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In addition, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending, these Bylaws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board of Directors when required. All such proceedings shall be subject to revision or alteration by the Board of Directors, provided, however, that third parties shall not be prejudiced by such revision or alteration.

Section 2. General. A majority of any committee may determine its action and establish the time, place and procedure for its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Article II, Section 6 or as the Board of Directors may otherwise provide. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board of Directors.

ARTICLE IV. EXCEPTIONS TO NOTICE REQUIREMENTS

Section 1. Waiver of Notice. Whenever notice is required to be given under these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 2. Unlawful Notice. Whenever notice is required to be given under these Bylaws to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice has been duly given.

ARTICLE V. OFFICERS

Section 1. Number, Election and Qualification. The elected officers of the Corporation shall be a Chairman, a President, one or more Vice Presidents (one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, and a Treasurer. Such officers shall be elected from time to time by the Board of Directors, each to hold office until the meeting of the Board of Directors following the next annual meeting of the stockholders and until his successor is elected and qualified, or until his earlier resignation or removal. The Board of Directors may from time to time appoint such other officers (including a Chairman of the Executive Committee, a Controller and one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers), and such agents, as may be necessary or desirable for the business of the Corporation. Such other officers and agents shall have such duties as may be prescribed by the Board of Directors and shall hold office during the pleasure of the Board of Directors. Any two or more offices may be held by the same person. From and after the distribution by G-P of the stock it presently holds in the Corporation, no person who is serving as an officer or director of G-P shall concurrently serve as an officer of the Corporation.

Section 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the Chairman, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. Removal. Any officer or agent of the Corporation may be removed either with or without cause, at any time, by the Board of Directors, except that a vote of a majority of the entire Board of Directors shall be necessary for the removal of an elected officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office may be filled for the unexpired portion of the term of the office which shall be vacant, in the manner prescribed in these Bylaws for the regular election or appointment of such office.

Section 5. Chairman. The Chairman shall be the chief executive officer of the Corporation, and shall have general direction over the management of its business, properties and affairs. The Chairman shall preside, when present, at all meetings of the stockholders and of the Board of Directors and, in the absence of the Chairman of the Executive Committee, at all meetings of the Executive Committee. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; to sign stock certificates; and to remove or suspend such employees or agents as shall not have been elected or appointed by the Board of Directors. In the absence or disability of the Chairman, his duties shall be performed and his powers shall be exercised by the President.

Section 6. President. The President shall be the chief operating officer of the Corporation and, subject to the direction of the Board of Directors and the Chairman, he shall have general direction over the operations of the Corporation. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; and to sign stock certificates.

Section 7. Vice Presidents. The several Vice Presidents shall perform all such duties and services as shall be assigned to or required of them from time to time, by the Board of Directors or the President, respectively, and unless their authority be expressly limited shall act in the order of their election in the place of the President, exercising all his powers and performing his duties, during his absence or disability. The Board of Directors however, may from time to time designate the relative positions of the Vice Presidents of the Corporation and assign to any one or more of them such particular duties as the Board of Directors may think proper.

Section 8. Secretary. The Secretary shall attend to the giving of notice of all meetings of stockholders and of the Board of Directors and shall record all of the proceedings of such meetings in a book to be kept for that purpose. He shall have charge of the corporate seal and have authority to attest any and all instruments or writings to which the same may be affixed. He shall keep and account for all books, documents, papers and records of the Corporation, except those which are hereinafter directed to be in charge of the Treasurer. He shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of secretary of a corporation. In the absence of the Secretary, an Assistant Secretary or Secretary pro tempore shall perform his duties.

Section 9. Treasurer. The Treasurer shall have the care and custody of all moneys, funds and securities of the Corporation, and shall deposit or cause to be deposited all funds of the Corporation in and with such depositories as shall, from time to time, be designated by the Board of Directors or by such officers of the Corporation as may be authorized by the Board of Directors to make such designation. He shall have power to sign stock certificates; to indorse for deposit or collection, or otherwise, all checks, drafts, notes, bills of exchange or other commercial paper payable to the Corporation, and to give proper receipts or discharges therefor. He shall keep all books of account relating to the business of the Corporation, and shall render a statement of the Corporation's financial condition whenever required so to do by the Board of Directors, the Chairman or the President. In the absence of the Treasurer, the Board of Directors shall appoint an Assistant Treasurer to perform his duties.

Section 10. Additional Powers and Duties. In addition to the foregoing enumerated duties and powers, the several officers of the Corporation shall perform such other duties and exercise such further powers as may be provided by these Bylaws or as the Board of Directors may from time to time determine or as may be assigned to them by any competent superior officer.

Section 11. Compensation. The compensation of the officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation, but any such officer who shall also be a director shall not have any vote in the determination of the amount of compensation paid to him.

ARTICLE VI. INDEMNIFICATION

Section 1. General. The Corporation shall, to the full extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto against all expenses (including, without limitation, attorney's fees), judgments, fines (including excise taxes) and amounts paid in settlement (collectively, "Losses") incurred in connection with any action, suit, or proceeding, whether threatened, pending, or completed (collectively, "Proceedings") to which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding initiated by such person only if such Proceeding was authorized by the Board of Directors of the Corporation.

Section 2. Employee Benefit or Welfare Plan Fiduciary Liability. In addition to any indemnification pursuant to Section 1 of this Article, but subject to the express exclusions set forth in Section 3 of this Article, the Corporation shall indemnify any natural person who is or was serving at the direction or request of the Corporation in a fiduciary capacity with respect to an employee benefit or welfare plan covering one or more employees of the Corporation or of an affiliate of the Corporation, or who is or was performing any service or duty on behalf of the Corporation with respect to such a plan, its participants or beneficiaries, against all Losses incurred by such person in connection with any Proceeding arising out of or in any way connected with such service or performance, to the extent such Losses are insurable under applicable law but are not covered by collectible insurance or indemnified pursuant to Section 1 of this Article. This Section is intended to provide a right to indemnification as permitted by Section 145(f) of the Delaware General Corporation Law.

Section 3. Persons Not to be Indemnified Under Section 2. No indemnification shall be made under Section 2 of this Article to any person (other than an employee of the Corporation or of an affiliate of the Corporation) who was or is acting as a lawyer, accountant, actuary, investment

adviser or arbitrator with respect to an employee benefit or welfare plan against any expense, judgment, fine or amount paid in settlement incurred by such person in connection with any action, suit or proceeding arising out of or in any way connected with his actions in such capacity. No indemnification shall be made under Section 2 of this Article to any person determined (in the manner prescribed by Section 145(d) of the Delaware General Corporation Law) to have participated in, or to have had actual knowledge of and have failed to take appropriate action with respect to, any violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or amendments thereto or by the common or statutory law of the United States of America or any state or jurisdiction therein, knowing such in either case to have been a violation of such responsibilities, obligations or duties.

Section 4. Advances of Expenses. Except as limited by the other provisions of this Section, the Corporation shall pay promptly (and in any event within 60 days of receipt of the written request of the person who may be entitled to such payment) all expenses (including but not limited to attorneys' fees) incurred in connection with any Proceeding by any person who may be entitled to indemnification under Sections 1 or 2 of this Article in advance of the final disposition of such Proceeding. Notwithstanding the foregoing, any advance payment of expenses on behalf of a director or officer of the Corporation shall be, and if the Board of Directors so elects, any advance payment of expenses on behalf of any other person who may be entitled to indemnification under Sections 1 or 2 of this Article may be, conditioned upon the receipt by the Corporation of an undertaking by or on behalf of such director, officer, or other person to repay the amount advanced in the event that it is ultimately determined that such director, officer, or person is not entitled to indemnification; provided that such advance payment of expenses shall be made without regard to the ability to repay the amounts advanced. Notwithstanding the foregoing, no advance payment of expenses shall be made by the Corporation if a determination is reasonably and promptly made by a majority vote of directors who are not parties to such Proceeding, even though less than a quorum, or if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that, based upon the facts known to such directors or counsel at the time such determination is made following due inquiry, (a) in the case of a person who may be entitled to indemnification under Section 1, such person did not act in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, such person had reasonable cause to believe his conduct was unlawful, or (b) in the case of a person who may be entitled to indemnification under Section 2, such person is not entitled to indemnification under the standard set forth in the second sentence of Section 3. Nothing in this Article VI shall require any such determination to be made as a condition to making any advance payment of expenses, unless the Board of Directors so elects.

Section 5. Mandatory Indemnification in Certain Circumstances. To the extent that a director, officer, employee, or agent has been successful on the merits or otherwise in the defense of any Proceeding referred to Section 1 or Section 2 of this Article, or in the defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by him in connection therewith.

Section 6. Right to Indemnification upon Application; Procedure upon Application. Any indemnification under Sections 1 or 2 shall be made promptly, and in any event within 60 days of receipt of the written request of the person who may be entitled thereto following the conclusion of such person's participation in any Proceeding for which indemnity is sought, unless with respect to such written request, a determination is reasonably and promptly made by a majority vote of directors who are not parties to the Proceeding, even though less than a quorum, or if there are no such directors, or if such directors so direct, by independent legal counsel that, based upon the facts known to such directors or counsel at the time such determination is made following due inquiry, (a) in the case of a person who may be entitled to indemnification under Section 1, such person did not act in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, such person had reasonable cause to believe his conduct was unlawful, or (b) in the case of a person who may be entitled to indemnification under Section 2, such person is not entitled to indemnification under the standard set forth in the second sentence of Section 3.

Section 7. Enforcement of Rights. The right to indemnification or to an advance of expenses as granted by this Article shall be enforceable by any person entitled thereto in any court of competent jurisdiction, if the Board of Directors or independent legal counsel denies the claim, in whole or in part, or if no disposition of such claim is made within 100 days of receipt by the Board of Directors of such person's written request for indemnification or an advance of expenses. Such person's expenses (including but not limited to attorneys' fees) incurred in connection with successfully establishing his

right to indemnification or an advance of expenses, in whole or in part, in any such proceedings shall also be indemnified by the Corporation.

Section 8. Bylaws as Contract; Non-Exclusivity. All rights to indemnification and advances of expenses under this Article shall be deemed to be provided by a contract between the Corporation and each person entitled thereto. Any repeal or modification of these bylaws shall not impair or diminish any rights or obligations existing at the time of such repeal or modification. The rights granted by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or an advance of expenses may be entitled under any bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The rights granted by this Article VI shall extend to the estate, heirs or legal representatives of any person entitled to indemnification or an advance of expenses hereunder who is deceased or incompetent.

ARTICLE VII. STOCK AND TRANSFER OF STOCK

Section 1. Stock Certificates. Every holder of stock in this corporation shall be entitled to have a certificate, in such form as shall be approved by the Board of Directors, certifying the number of shares of stock of this corporation owned by him signed by or in the name of this corporation by the Chairman, or the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer. Any of or all the signatures on the certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may nevertheless be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 2. Transfers of Shares. Transfers of Shares of stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent, and on surrender of the certificate or certificates for such shares properly indorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not it shall have express or other notice thereof. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be stated in the entry of the transfer if, when the certificates are presented for transfer, both the transferor and transferee request the Corporation to do so.

Section 3. Regulations, Transfer Agents and Registrars. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. It may appoint and change from time to time one or more transfer agents and one or more registrars and may require all certificates for shares of stock to bear the signature or signatures of any of them.

Section 4. Replacement of Certificates. In the event of the loss, theft, mutilation or destruction of any certificate for shares of stock of the Corporation, a duplicate thereof may be issued and delivered to the owner thereof, provided he makes a sufficient affidavit setting forth the material facts surrounding the loss, theft, mutilation or destruction of the original certificates and gives a bond to the Corporation, in such sum limited or unlimited, and in such form and with such surety as the Board of Directors may authorize indemnifying the Corporation, its officers and, if applicable, its transfer agents and registrars, against any losses, costs and damages suffered or incurred by reason of such loss, theft, mutilation or destruction of the original certificate and replacement thereof.

Section 5. Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than

ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE VIII. FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE IX. SEAL

The Board of Directors shall provide a corporate seal, which shall be in such form as the Board of Directors shall determine.

ARTICLE X. AMENDMENTS

These Bylaws may be amended or repealed, or new Bylaws may be adopted, at any annual or special meeting of the stockholders, by the affirmative vote of the holders of at least 75 percent of the outstanding Common Stock of the Corporation; provided, however, that the notice of such meeting shall have been given as provided in these Bylaws, which notice shall mention that amendment or repeal of these Bylaws, or the adoption of new Bylaws, is one of the purposes of such meeting. These Bylaws may also be amended or repealed or new Bylaws may be adopted, by the Board of Directors by the vote of two-thirds of the entire Board of Directors

PERFORMANCE-BASED INCENTIVE BONUS PLAN

MARK A. SUWYN

Subject to approval by the stockholders of Louisiana-Pacific Corporation ("L-P"), the following business criteria will serve as a basis for performance bonus payments to Mark A. Suwyn, Chairman and Chief Executive Officer of L-P:

Strategic Performance Criteria

1. Success in developing and implementing strategic plans, management plans, or systems (such as quality management plans, budgeting systems, or other internal controls).
2. Success in filling board or executive positions or reorganizing reporting relationships.
3. Success in resolving legal proceedings.

Financial Performance Criteria

Goals may be based upon earnings, earnings per share, operating profit, stock price, costs of production or overhead, or other measures of earnings, profitability, efficiency, or return to stockholders (for L-P as a whole, or for particular divisions or business units), expressed as absolute amounts or as ratios or percentages of other amounts and may be measured against various standards including arbitrary targets, budget targets, prior years' performance, or performance of other companies.

Within the time periods specified under Section 162(m) of the Internal Revenue Code, the compensation committee will determine specific objective performance goals based on one or more of the above business criteria and will specify the amount of bonus or the method of calculating the bonus payable if some or all of the performance goals are met to specified degrees. The bonus payable for any year pursuant to this plan will not exceed \$1 million.

Adopted by the Compensation Committee
March 20, 1996

PERFORMANCE-BASED INCENTIVE BONUS AWARD

MARK A. SUWYN
1996

The Compensation Committee of the board of directors of Louisiana-Pacific Corporation ("L-P") has adopted this performance-based incentive bonus award for Mark A. Suwyn, Chairman and Chief Executive Officer of L-P ("Suwyn"), pursuant to the performance-based incentive bonus plan. Subject to approval by stockholders of the terms of the performance goals under the plan, L-P will pay to Suwyn as additional cash compensation the amounts set forth below if the corresponding performance goals are attained by the dates indicated.

Primary Performance Goals

1. New Directors. A non-employee director identified by Suwyn after March 20, 1995, shall have been added to the board of directors of L-P by December 31, 1996. A person is "identified" by Suwyn if Suwyn makes the initial recommendation that such individual be considered as a candidate for a position.

2. New Executive Officers. Two new executive officers of L-P identified by Suwyn shall have been elected to office by December 31, 1996. "Executive officer" shall have the same meaning as in Rule 3b-7 of the Securities and Exchange Commission and shall include, without limitation, a director of human resources, a director of quality control, a division general manager, or any vice president having policy-making responsibility for a principal business division, function, or unit.

3. Strategic Plan. A multi-year, strategic plan for L-P shall have been prepared under the direction of Suwyn and presented to and approved by the board of directors of L-P on or before the regular quarterly meeting of the board of directors in July 1996. A "strategic plan" is a document analyzing broad areas of L-P's business (including product lines, facilities, production and marketing methods, personnel, and financial results), and identifying strategic objectives for management to enhance L-P's performance and value.

If all three of the above primary performance goals are satisfied by the dates indicated, then L-P will pay Suwyn a bonus of \$400,000. If any one or more of such goals is not fully satisfied by the dates indicated, Suwyn will not receive any portion of the \$400,000 bonus.

Additional Performance Goals

1. Siding Settlement. If the proposed settlement of the nationwide siding class action litigation presently pending in the United States District Court for the District of Oregon receives final approval by the court by December 31, 1996 (substantially as proposed), then L-P will pay Suwyn a bonus of \$20,000.

2. EPA Suspension and Debarment. If the Environmental Protection Agency suspension and debarment proceeding (case number 95-0156-00) is finally settled by December 31, 1996, with the result that there is no continuing suspension or debarment with respect to any facilities of L-P, then L-P will pay Suwyn a bonus of \$20,000.

3. TQM Program. If a total quality management ("TQM") program is implemented as described below by December 31, 1996, then L-P will pay Suwyn a bonus of \$20,000. A TQM program includes preparation, under Suwyn's direction, of a written plan for quality management and control within L-P based upon TQM principles of continuous improvement of processes, employee involvement, identification of customer needs, and measurement. A TQM program is "implemented" if a written plan is approved by the board of directors of L-P, the plan is communicated to managers of all United States facilities of L-P, together with appropriate direction to begin taking actions contemplated by the plan, and managers at such facilities have commenced taking such actions either through preparation of action plans specific for their respective facilities or communication of the objectives of the TQM plan to appropriate personnel at their respective facilities.

4. Operating Profit. L-P will pay Suwyn a bonus as described below if L-P is among the highest four members of its peer group ranked by

percentage increase in total operating profit for 1996 as compared to 1995. The peer group consists of L-P, Georgia-Pacific, Weyerhaeuser, Boise Cascade, Potlatch, Champion International, and Willamette Industries. Total operating profit is the total of the operating profits of all business segments as publicly reported by each member of the peer group. L-P will pay Suwyn a bonus of \$40,000 if L-P ranks first in percentage increase, \$30,000 if L-P ranks second, \$20,000 if L-P ranks third, and \$10,000 if L-P ranks fourth.

Certification of Performance

No part of the above bonuses will be paid until the Compensation Committee has certified in writing that the relevant performance goals have been attained.

Adopted by the Compensation Committee
March 20, 1996

EXHIBIT 11

Louisiana-Pacific Corporation and Subsidiaries
 Calculation of Net Income Per Share
 For the Six Months Ended June 30, 1996

	Number of shares	
	----- Including Common Stock Equivalents -----	----- Excluding Common Stock Equivalents (1) -----
Weighted average number of shares of common stock outstanding	116,937,022	116,937,022
Weighted average number of shares sold to ESOTs subsequent to January 1, 1994, not allocated to participants' accounts(2)	(1,305,349)	(1,305,349)
Weighted average number of shares of treasury stock held during the period	(8,374,375)	(8,374,375)
Common stock equivalents: Application of the "treasury stock" method to stock option and purchase plans	150,231	---
Weighted average number of shares of common stock and common stock equivalents	107,407,529 =====	107,257,298 =====
Rounded to	107,410,000 =====	107,260,000 =====
Net income	\$ 17,400,000 =====	\$ 17,400,000 =====
Net income per share	\$.16 =====	\$.16 =====

(1) Accounting Principles Board Opinion No. 15, "Earnings Per Share," allows companies to disregard dilution of less than three percent in the computation of earnings per share. Therefore, shares used in computing earnings per share for financial reporting purposes is 107,260,000 shares.

(2) American Institute of Certified Public Accountants Statement of Position No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans" requires that shares held by the registrant's ESOTs which were acquired by the ESOTs on or after January 1, 1994, which are not allocated to participants' accounts, are not considered outstanding for purposes of computing earnings per share. Shares held by the ESOTs which were acquired by the ESOTs prior to January 1, 1994, continue to be considered outstanding (whether or not allocated to participants' accounts) for purposes of computing earnings per share.

This schedule contains summary financial information extracted from Consolidated Summary Financial Statements and Notes included in this Form 10-Q and is qualified in its entirety by reference to such financial statements.

1,000

DEC-31-1996

JUN-30-1996

6-MOS

		54,200
		0
	190,900	
		0
	252,500	
	588,500	
		2,672,200
	(1,178,600)	
	2,821,500	
385,200		
		347,500
0		
		0
		117,000
	1,541,300	
2,821,500		
		1,242,400
	1,242,400	
		1,051,700
	1,212,400	
		0
		0
	4,300	
	29,500	
		11,100
17,400		
		0
		0
		0
	17,400	
		.16
		0