LOUISIANA PACIFIC CORP
Form 424B5
July 27, 2001

FILED PURSUANT TO RULE 424(b)(5)
REGISTRATION NO. 333-73157

The information in this preliminary prospectus is not complete and may be changed. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated July 26, 2001.

Prospectus Supplement to Prospectus dated April 6, 2000.

$200,000,000

Louisiana-Pacific Corporation

% Senior Subordinated Notes due 2008

Louisiana-Pacific will pay interest on the notes on and of each year. The first such payment will be made on , 2002. The notes will be issued only in denominations of $1,000 and integral multiples of $1,000.

Prior to , 2005, Louisiana-Pacific has the option to redeem the notes, in whole or in part, at 100% of the principal amount of the notes plus a make-whole premium as described in this prospectus. At any time prior to , 2004, Louisiana-Pacific also has the option to redeem up to 35% of the notes at the redemption price set forth in this prospectus using the proceeds of specified equity offerings. On or after , 2005, Louisiana-Pacific has the option to redeem all or a portion of the notes at the redemption prices set forth in this prospectus.

The notes are unsecured and subordinated in right of payment to all existing and future senior debt of Louisiana-Pacific and will be effectively subordinated in right of payment to all existing and future debt and other liabilities of Louisiana-Pacific s subsidiaries. As of March 31, 2001, the senior debt of Louisiana-Pacific and the aggregate debt and other liabilities of its subsidiaries, on a consolidated basis, was $921 million, excluding $314 million of non-recourse debt.

See Risk Factors beginning on page S-14 to read about certain factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	%	$
Underwriting discount	%	$
Proceeds, before expenses, to Louisiana-Pacific	%	$

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from , 2001 and must be paid by the purchaser if the notes are delivered after , 2001.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on , 2001.

Joint Book-Running Managers

Goldman, Sachs & Co.

Banc of America Securities LLC

RBC Dominion Securities

Wachovia Securities, Inc.

Scotia Capital

Prospectus Supplement dated , 2001.

FORWARD-LOOKING STATEMENTS

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

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

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

- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products, including the effects of industry-wide increases in manufacturing capacity;
- changes in the relationship between supply of and demand for the raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar;
- changes in general and industry-specific environmental laws and regulations;
- unforeseen environmental liabilities or expenditures;
- the resolution of product-related litigation and other legal proceedings; and
- acts of God or public authorities, war, civil unrest, fire, floods, earthquakes and other matters beyond our control.

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

OFFERING SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement. Because it is a summary, it does not contain all the information you should consider before making an investment decision. You should carefully consider all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the discussion under the caption Risk Factors of specific risks involved in an investment in the notes. In this prospectus supplement, unless the context requires otherwise, LP, the company, we, us and our each refers to Louisiana-Pacific Corporation and its subsidiaries.

Our Company

Our company, headquartered in Portland, Oregon, is a leading manufacturer and distributor of building materials. As of March 31, 2001, we had approximately 10,200 employees and operated 64 facilities in the U.S. and Canada, one facility in Chile and one facility in Ireland. We also own approximately 950,000 acres of timberland in the U.S., predominately in the south, and manage approximately 49 million acres of timberland in Canada. In 2000, our sales originating in the U.S. were $2,331 million, representing approximately 79% of our total sales of $2,933 million. Our focus is on delivering innovative, high-quality commodity and specialty building products to retail, wholesale, home building and industrial customers. With the exception of pulp, our products are used primarily in new home construction, repair and remodeling (R&R), and manufactured housing.

Our business is organized into five segments:

Our structural products segment manufactures and distributes structural panel products, including oriented strand board (OSB), an economic plywood substitute made from wood strands arranged in layers and bonded with resin, and plywood; lumber; and engineered wood products (EWP), including I-joists and laminated veneer lumber (LVL). Our structural products segment also includes our timberlands. We believe that in North America we are the largest and one of the most efficient producers of OSB, the largest producer of stud lumber and one of the largest producers of EWP. In 2000, structural products segment sales were approximately $1,817 million, representing approximately 62% of our total net sales.

Our exterior products segment produces and markets wood and vinyl siding and related accessories, composite decking and specialty OSB products. Our exterior siding and other cladding products are used in the residential and commercial building markets. Our exterior product offerings are classified into five categories: (1) SmartSystem® siding products, (2) hardboard siding products, (3) vinyl siding products, (4) composite decking, and (5) developmental products. Our portfolio of products offers customers a wide variety of siding choices at various performance levels and prices. In 2000, exterior products segment sales were approximately $329 million, representing approximately 11% of our total net sales.

Our industrial panel products segment manufactures and distributes particleboard, medium density fiberboard (MDF), hardboard and decorative panels. Our strategy in industrial panel products is primarily to focus on value-added specialty products that are complementary to our other product offerings. These value-added specialty product lines include flooring, shelving, door skins, door parts, decorative panels, paneling and other specialty applications. In 2000, industrial panel products segment sales were approximately $287 million, representing approximately 10% of our total net sales.
Our other products segment includes plastic molding products, as well as our distribution and wholesale business, wood chips and our OSB plants located in Chile and Ireland. Our other products segment previously included our Cocoon cellulose insulation business, which we contributed to a 50%-owned joint venture in August 2000. In 2000, other products segment sales were approximately $348 million, representing approximately 12% of our total net sales.

Our pulp segment includes a pulp mill located in Chetwynd, British Columbia and previously included a pulp mill located in Samoa, California in which we sold a controlling interest in the first quarter of 2001. We are seeking to completely exit the pulp business with the sale of our Chetwynd pulp mill, which is presently managed by an unrelated party. In 2000, pulp segment sales were approximately $152 million, representing approximately 5% of our total net sales.

Our Industry

Building products are used in the construction of new housing, including traditional frame houses, multi-family homes, manufactured housing, and the repair and remodeling of existing housing. Generally classified by their application, building products are segmented into two groups, structural products and non-structural products. Structural products are used when strength is important and include structural panels, such as OSB and plywood; lumber; and EWP. Non-structural products are generally used when strength is not necessarily required and include products used on the exterior of residential and commercial structures, such as siding and decking. Particleboard, MDF, and hardboard are also non-structural products, and are used in the construction of furniture and other non-load bearing applications.

Up until the late 1980s, plywood represented over 95% of the structural panel market. Since then, OSB has become an increasingly popular alternative to plywood because of its comparable performance attributes and generally lower cost. The relatively abundant and fast-growing deciduous trees and under-utilized coniferous trees used in the manufacture of OSB are generally less expensive than the trees used to make plywood. According to data from Institutional Wood Markets Research, Inc. (IWMR) and Resource Information Systems, Inc. (RISI), two industry research firms, OSB consumption surpassed that of plywood in 1998 and has continued to gain share in the structural panel market resulting in a 51% share in 2000.

Historically, building products consumption has been generally correlated with housing starts and residential remodeling and repair activity. According to U.S. government data, in the ten-year period from 1991 through 2000, U.S. housing starts grew at a 5% compounded annual rate, while residential improvement and repairs expenditures grew at a 3% compounded annual rate.

Correspondingly, according to IWMR and RISI, the compounded annual growth rate for structural panels consumption was 5% and the compounded annual growth rate for softwood lumber consumption was 3% in this ten-year period.

RISI has stated that it expects underlying housing demand to be bolstered by several key factors over the coming decade, including the changing age and class distribution of the U.S. population and a healthy economic environment. With an increase in the number of homes among family members and the number of families who maintain more than one residence, baby-boom generation demographics are expected by RISI to positively affect underlying housing demand. These factors are expected to increase significantly the number of household formations from 2000 to 2010. RISI has predicted a net increase in the average annual demand for all types of new housing of nearly 200,000 units, from 1.7 million units in the decade from 1990 to 2000 to 1.9 million units in the decade from 2000 to 2010.

Given the commodity nature of a considerable portion of the building products business, prices can fluctuate considerably due to supply and demand conditions. Industry players compete largely on the basis of price and to a significant extent on the ability to provide a broad product offering and a high level of customer service. Cost competitiveness is principally determined by the efficiency of manufacturing facilities, proximity to customers and access to competitively priced raw materials.

Our Strategy

As a leading supplier of home building materials, we believe that the home building products industry presents significant growth opportunities and we intend to continue pursuing these opportunities by delivering innovative, high-quality commodity and specialty building products to retail, wholesale, home building and industrial customers. We believe that we can continue to enhance our success by implementing the following core business strategies:

Focus on Being a Premier Provider of Building Products. Since 1996, we have shifted our primary business focus from forest products to building products. In addition, we have focused on growth businesses, such as OSB and EWP. Consistent with our shift in focus, we have expanded our building product offerings and added production capacity in our core businesses. During the period from 1997 through 2000, we divested more than $1 billion of non-strategic assets in order to redeploy our capital in our key product lines.

Improve Operating Efficiencies. We have improved and continue to improve the cost structure of our facilities through the sale or closure of underperforming mills and manufacturing facilities, as well as investing in technology. Given these initiatives and the strategic locations of many of our facilities, we believe that we are one of the lowest average delivered-cost producers of OSB in North America. We have also structured our management teams along product lines to enhance our ability to implement best manufacturing practices across product lines. We plan to continue to selectively invest in new technologies that modernize our manufacturing facilities and develop improved manufacturing processes.

Generate Sales Growth through Customer Focus and Innovation. Our sales and marketing efforts target customers by channel and focus on providing these customers with quality service and a broad array of traditional and specialty building products. Our facilities are located throughout the U.S. and Canada, which allows us to be closer to our customers and more responsive to end-user needs and trends. Through this focus on quality service, we continue to enhance our reputation for accurate deliveries on a timely basis. In addition, we continually seek to identify new specialty building products and markets where we can utilize our core competencies in the design, manufacturing and marketing of building products.

Make Selective Strategic Acquisitions. We intend to selectively target acquisitions that (1) complement our core competencies in structural panels, lumber, EWP and specialty building products and (2) have leading positions in established market segments. We believe that, through selective acquisitions, we can continue to provide our nationwide customer base with superior value.

Our Strengths

Our competitive strengths that underlie our strategy include:

Leading Market Positions. We are an industry leader in building products. We believe we have the number one market position in our principal products, which include OSB structural panels and specialty OSB products, stud lumber, exterior cladding and, through a 50%-owned joint venture, cellulose insulation. We believe we also have leading market positions in decorative paneling and tileboard and plastic moldings. We believe our leading market positions and favorable cost structure give us an advantage over many of our competitors.

Low Cost Producer. We believe that we are among the lowest cost producers of building products in the markets in which we compete. We have been able to achieve this advantage due in part to the modern, efficient facilities that we own and operate. We attribute this high level of efficiency, in part, to the significant capital investments we have made. The efficiency of our manufacturing facilities is augmented by our national scope and geographic proximity to our customers, which enable us to rank among the most competitive suppliers of OSB in the industry based on average delivered-cost. In addition, our management team has demonstrated a commitment to streamlining our product offerings and focusing our manufacturing assets on key, high-margin products where we believe we have a competitive advantage. Our dedication to operating only low-cost, efficient facilities has resulted in the complete or partial sale, closure, or curtailment of approximately 50 facilities over the last five years.

Modern Manufacturing Facilities and Low Required Ongoing Capital Expenditures. We have made significant capital investments in each of our strategic business segments, which we believe has resulted in our facilities ranking among the most technologically modern and cost-competitive facilities in the industry. We believe these investments have enabled us to be a leading low-cost supplier of building products to our customers and will result in a lower level of capital expenditures for facility upgrades in the future.

Significant Scale. We operate 14 OSB facilities in North America, with nine facilities in the U.S. and five facilities in Canada. Our scale enables us to gain significant efficiencies that result from high-volume production runs and to employ and implement best practices and process improvements developed at one mill across all of our mills. We believe our geographic diversity allows us to be more efficient with respect to shipping and distribution of finished products. Our scale also enables us to serve national customers, such as Home Depot and Lowe s, in a variety of end markets, including retail home centers, wholesale distribution companies, building materials professional dealers, manufactured housing producers and industrial manufacturers. We believe that our ability to provide high quality service on a national scale to each of these customers is a significant competitive advantage.

Well-Positioned to Benefit from Building Products Industry Dynamics. We believe that we are well positioned to capture the benefits from increased new home construction and increased spending on the repair and remodeling of existing homes. RISI has estimated that average annual housing starts for the period from 2000 through 2005 will be 1.6 million, surpassing the average annual starts of 1.4 million for the period from 1991 to 2000. Additionally, RISI has predicted that the total dollars spent on R&R will increase to approximately $138 billion by 2004, a substantial increase from approximately $127 billion spent in 2000. We believe that we are well positioned to profit from these growth trends by capitalizing on our current leading market positions and by targeting corollary markets, such as EWP, with innovative, value-added products.

Significant Cash Flow Generation Potential. We maintain a low cost position and a disciplined capital expenditures program, which helps us to generate significant free cash flow. During the last five years, our businesses generated, on average, $297 million per year in adjusted EBITDDA. Adjusted EBITDDA represents income (loss) before taxes, minority interests and equity in earnings of unconsolidated affiliate plus net interest expense, depreciation, depletion (also referred to as cost of timber harvested) and amortization, as adjusted to exclude unusual charges and credits and losses related to assets and liabilities transferred under contractual arrangement. As demonstrated by our dividend reduction announced in May 2001, our management team and board of directors are willing to take aggressive action to ensure the company maintains adequate liquidity and financial flexibility during both favorable and challenging markets.

Experienced Management Team with Strong Strategic Vision. Led by our CEO, Mr. Mark Suwyn, our senior management team has a proven track record of focused expansion of our building products business; successfully integrating acquisitions; divesting non-core or underperforming assets; generating additional revenues through product innovation and applied technologies; targeting capital investments on projects that enhance yields and improve cost; and maximizing performance during both favorable and challenging markets. Under Mr. Suwyn s leadership, our management team has been invigorated with a high level of focus on profitability, growth and cash flow generation.

We were organized in Delaware in 1972. Our executive offices are located at 805 S.W. Broadway, Suite 1200, Portland, Oregon 97205. Our telephone number is (503) 821-5100.

Recent Developments

Recent Financial Results

On July 19, 2001, we announced our unaudited financial results for the three and six months ended June 30, 2001. For the three months ended June 30, 2001, our net sales and adjusted EBITDDA were $650 million and $57 million, respectively. For the three months ended June 30, 2001, our capital expenditures totaled $12 million.

Compared to the prior three-month period, our net sales for the three months ended June 30, 2001 increased approximately $91 million or 16% primarily due to increases in wholesale building product prices and strong demand for our products as a result of continued robust U.S. residential construction activity. Net sales increases for structural products, exterior products and other products of 18%, 61% and 17%, respectively, more than offset a 3% decrease in net sales for industrial panel products. A comparison over the same periods of pulp sales is not meaningful due to the sale of a controlling interest in Samoa Pacific Cellulose LLC in the first quarter of 2001.

Similarly compared to the prior three-month period, our adjusted EBITDDA for the three months ended June 30, 2001 increased approximately $89 million. Adjusted EBITDDA increases for structural products, exterior products and industrial panel products of $66 million, $16 million and $3 million, respectively, more than offset a $1 million decrease in adjusted EBITDDA for other products.

At June 30, 2001, our consolidated balance sheet reflected $56 million of cash and cash equivalents, $876 million of debt (excluding non-recourse debt) and $1,181 million of stockholders equity. During the three months ended June 30, 2001, total debt decreased by $45 million.

Our capital expenditures for the six months ended June 30, 2001 were $34 million, compared to $98 million for the six months ended June 30, 2000, a decrease of 65%. The current level of capital spending is significantly less than one-half of depreciation, depletion and amortization.

The following table presents unaudited results of operations data for the three and six months ended June 30, 2000 and 2001. This data should be read in conjunction with the consolidated financial statements and the related notes and other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Interim results are not necessarily indicative of our future operating results for any interim period or any full year.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2000	**2001**	**2000**	**2001**
	(dollars in millions)			
Net sales(a)	$832	$650	$1,661	$1,208
Net interest expense(b)	(9)	(14)	(17)	(29)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated affiliate	38	(14)	134	(127)
Net income (loss)	21	(10)	79	(99)
Income (loss) excluding unusual credits and charges(c)	44	(9)	101	(91)
Adjusted EBITDDA(d)	144	57	309	24
Capital expenditures(e)	56	12	98	34

(a) Sales figures for the three and six months ended June 30, 2000 have been reclassified to conform with EITF Issue No. 00-10 Accounting for Shipping and Handling Costs.

(b) Net interest expense is interest expense net of interest income, which is principally comprised of interest income on notes receivable from asset sales that provide collateral for our limited recourse notes payable.

(c) In the first quarter of 2000, we recorded a $5 million (approximately $3 million after taxes) gain on an insurance recovery for siding related matters and an impairment charge of approximately $3 million (approximately $2 million after taxes) to reduce the carrying value of a manufacturing facility to its estimated net realizable value. In the second quarter of 2000, we recorded a net $38 million loss (approximately $23 million after taxes) primarily related to an impairment charge to reduce the carrying value of a pulp mill in Samoa, California to its estimated net realizable value, an impairment charge at an MDF facility, a mark to market charge on an interest rate hedge and a gain on an insurance recovery for siding related matters.

In the first quarter of 2001, we recorded a net loss of approximately $10 million (approximately $6 million after taxes) associated with impairment charges on certain assets. We also recorded a net loss of $2 million (approximately $1 million after taxes) for additional reserves for non-product litigation. In the second quarter of 2001, we recorded a net loss of $2 million (approximately $1 million after taxes) associated with the impairment of an equity investment.

(d) EBITDDA represents income (loss) before taxes, minority interests and equity in earnings of unconsolidated affiliate plus net interest expense, depreciation, depletion (also referred to as cost of timber harvested) and amortization. Adjusted EBITDDA represents EBITDDA, as adjusted to exclude unusual charges and credits and losses related to assets and liabilities transferred under contractual arrangement. Adjusted EBITDDA provides a measure of our ability to satisfy principal and interest obligations on our debt and to provide cash for other purposes. Adjusted EBITDDA does not represent, and should not be considered a substitute for, income (loss) from operations, net income (loss), cash flow or other measures of performance prepared in accordance with generally accepted accounting principles. Our definitions of EBITDDA and adjusted EBITDDA may not be comparable to those reported by other companies.

(e) Excludes acquisitions.

Recent Wholesale Prices of Selected Building Products

The following table sets forth, for the three months ended March 31, 2001 and June 30, 2001, the average wholesale prices of selected building products in the U.S.

	Three Months Ended March 31, 2001	Three Months Ended June 30, 2001	% Change
OSB, 7/16 basis 24/16 span rating (North Central price), MSF(a)	$132	$191	45%
Southern pine plywood, 1/2 basis CDX (3-ply), MSF(a)	242	303	25
Framing lumber, composite prices, MBF(a)	284	366	29
Industrial particleboard, 3/4 basis, MSF(a)	257	260	1

(a) Prices represent quarterly averages stated in dollars per thousand board feet (MBF) or thousand square feet (MSF). Source: *Random Lengths.*

Dividend Reduction

On May 7, 2001, we announced that our board of directors had reduced the company s quarterly dividend by 65% from $0.14 per share to $0.05 per share. Our board of directors indicated that, despite some recent improvement, product prices had been at near-record lows since their rapid decline starting in the second quarter of 2000. The board s action to reduce the dividend was based on a variety of factors including market conditions, an uncertain economy and a desire to increase our financial flexibility. The dividend reduction is expected to result in annual cash savings of approximately $38 million.

The Transaction

We will use the gross proceeds from the sale of the notes to repay all debt outstanding under an existing term loan maturing in 2003, to repay a portion of the debt outstanding under an existing revolving credit facility and to pay related transaction costs relating to this offering. This offering of notes and the use of proceeds as described above are referred to in this prospectus supplement as the Transaction. The table below sets forth the estimated sources and uses for the Transaction based on balances as of March 31, 2001 (dollars in millions):

Sources		Uses	
% senior subordinated notes due 2008	$200	Repay term loan	$170
		Repay portion of revolving credit facility	25
		Transaction costs	5
TOTAL SOURCES	$200	**TOTAL USES**	$200

In addition to the Transaction, as of the date of this prospectus supplement, the arranger of a new $200 million three-year senior secured revolving credit facility for LP had received written commitments, subject to customary conditions, from financial institutions for $180 million of this new facility. We expect this new credit facility to be in place by the end of August 2001. As of June 30, 2001, the outstanding balance under our existing revolving credit facility was approximately $67 million. Had we closed this new revolving credit facility on June 30, 2001 and repaid the remaining debt outstanding under our existing domestic revolving credit facility and paid related fees and expenses, we would have had approximately $158 million of initial availability under this new facility. See Description of Other Indebtedness New Domestic Revolving Credit Facility. In addition, we are in the process of seeking to arrange a $125 million trade receivables financing facility in order to further enhance our liquidity. We have targeted closing the trade receivables financing facility by the end of the third quarter of 2001. See Description of Other Indebtedness Receivables Financing Facility.

The Offering

The following summary is not intended to be complete. For a more detailed description of the notes, see Description of the Notes.

Issuer	Louisiana-Pacific Corporation
	the present values of the remaining scheduled payments of the principal of and interest on the notes being redeemed discounted to the date of redemption as desired on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Yield (as defined herein) plus 50 basis points; plus, in either case, accrued interest on the notes being redeemed to the date of redemption. See Description of the Notes Optional Redemption. At any time prior to , 2004, we may also redeem up to 35% of the notes at our option at the redemption price listed in Description of the Notes Optional Redemption using the proceeds of specified public equity offerings. On or after , 2005, we may redeem some or all of the notes at our option at the redemption prices listed in Description of the Notes Optional Redemption.
	sell assets;

Risk Factors

You should carefully consider all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the discussion under the caption Risk Factors of specific risks involved in an investment in the notes.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The historical financial data as of and for the years ended December 31, 1998, 1999 and 2000 were derived from our audited consolidated financial statements included in or incorporated by reference in this prospectus supplement and the accompanying prospectus. The historical financial data as of and for the three months ended March 31, 2000 and 2001 were derived from our unaudited consolidated financial statements included in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Our unaudited consolidated financial statements were prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, that we consider necessary for a fair presentation. Interim results are not necessarily indicative of our future operating results for any interim period or any full year. This summary financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated historical financial statements and related notes included in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This data reflects the adoption of EITF Issue No. 00-10 and other reclassifications to conform to the 2000 presentation.

	Year Ended December 31,			Three Months Ended March 31,	
	1998	**1999**	**2000**	**2000**	**2001**
	(dollars in millions, except ratio data)				
Income statement data:					
Net sales:					
Structural products	$1,307	$1,876	$1,817	$ 532	$ 344
Exterior products	116	276	329	71	70

	Year Ended December 31,			Three Months Ended March 31,	
Industrial panel products	192	300	287	81	53
Other products	731	477	348	103	59
Pulp	105	143	152	43	33
Total net sales	$2,451	$3,072	$2,933	$ 830	$ 559
Gross profit (loss)(a)	$ 258	$ 597	$ 335	$ 163	$ (40)
Adjusted operating profit (loss)(b)	74	377	96 &nbs		