

LOUISIANA-PACIFIC CORP
Form 10-Q
August 04, 2015

UNITED STATES
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, 2015
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization) 414 Union Street, Nashville, TN 37219 (Address of principal executive offices) (Zip Code) Registrant's telephone number, including area code: (615) 986-5600	93-0609074 (IRS Employer Identification No.)
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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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filers" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 142,674,258 shares of Common Stock, \$1 par value, outstanding as of August 4, 2015.

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

ABOUT FORWARD-LOOKING STATEMENTS

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

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

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

- changes in governmental fiscal and monetary policies and levels of employment;
- 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;
- changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in the cost of and availability of transportation;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Australian dollar, Euro, Brazilian real and the Chilean peso;
- changes in general and industry specific environmental laws and regulations;
- changes in tax laws, and interpretations thereof;
- changes in circumstances giving rise to environmental liabilities or expenditures;
- the resolution of existing and future product related litigation and other legal proceedings;
- governmental gridlock and curtailment of government services and spending; and
- acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control.

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

ABOUT THIRD-PARTY INFORMATION

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe

the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

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Item 1. Financial Statements.

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

	Quarter Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	\$493.0	\$518.5	\$964.7	\$963.2
Operating costs and expenses:				
Cost of sales	443.4	461.5	871.2	849.9
Depreciation and amortization	25.3	24.9	52.0	50.5
Selling and administrative	37.9	35.9	76.6	76.8
(Gain) loss on sale or impairment of long-lived assets, net	0.5	(0.5)	0.6	(0.5)
Other operating charges and credits, net	—	0.6	11.6	0.6
Total operating costs and expenses	507.1	522.4	1,012.0	977.3
Loss from operations	(14.1)	(3.9)	(47.3)	(14.1)
Non-operating income (expense):				
Interest expense, net of capitalized interest	(7.2)	(7.4)	(14.7)	(15.1)
Interest income	1.0	1.7	2.4	3.5
Other non-operating items	0.4	3.8	(1.8)	(0.5)
Total non-operating income (expense)	(5.8)	(1.9)	(14.1)	(12.1)
Loss from operations before taxes and equity in income of unconsolidated affiliates	(19.9)	(5.8)	(61.4)	(26.2)
Provision (benefit) for income taxes	1.0	(6.7)	(5.3)	(12.3)
Equity in income of unconsolidated affiliates	(1.4)	(1.2)	(2.1)	(1.8)
Net income (loss)	\$(19.5)	\$2.1	(54.0)	(12.1)
Income (loss) per share of common stock:				
Net income (loss) per share - basic	\$(0.14)	\$0.01	(0.38)	(0.09)
Net income (loss) per share - diluted	\$(0.14)	\$0.01	\$(0.38)	\$(0.09)
Average shares of stock outstanding - basic	142.3	140.8	142.1	140.8
Average shares of stock outstanding - diluted	142.3	144.0	142.1	140.8

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

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

	Quarter Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income (loss)	\$(19.5) \$2.1	(54.0) \$(12.1)
Other comprehensive income (loss)				
Foreign currency translation adjustments	(0.1) 0.7	(7.9) (1.1)
Unrealized gain on marketable securities	—	0.4	—	0.5
Defined benefit pension plans	1.0	0.5	2.6	1.8
Other	—			