



USG Corporation First Quarter 2011 Earnings Conference Call and Webcast

April 20, 2011



Forward-Looking Statements



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 related to management's expectations about future conditions. Actual business, market or other conditions may differ from management's expectations and, accordingly, may affect our sales and profitability or other results and liquidity. Actual results may differ due to various other factors, including: economic conditions, such as the levels of new home and other construction activity, employment levels, the availability of mortgage, construction and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates and consumer confidence; capital markets conditions and the availability of borrowings under our credit agreement or other financings; competitive conditions, such as price, service and product competition; shortages in raw materials; changes in raw material, energy, transportation and employee benefit costs; the loss of one or more major customers and our customers' ability to meet their financial obligations to us; capacity utilization rates; changes in laws or regulations, including environmental and safety regulations; the outcome in contested litigation matters; the effects of acts of terrorism or war upon domestic and international economies and financial markets; and acts of God. We assume no obligation to update any forward-looking information contained in this presentation.

- Overview
James S. Metcalf
President and CEO
- Financial Results
Fareed Khan
Executive VP, Finance and Strategy
- Questions
- Closing Remarks
James S. Metcalf
President and CEO



James S. Metcalf President and CEO



Market Dynamics



- Market dynamics during the quarter were mixed
- Range of market forecasts for U.S. housing starts is 590,000 to 770,000
- Repair and remodel trends have improved
- Commercial construction challenged; some indicators suggest stabilization



U.S. Gypsum



- Wallboard volume down compared to Q1 2010, but higher than Q4 2010
- Seeing traction from March price increase
- Introduction of the first lightweight 5/8" gypsum panel to serve commercial market
- USG remains committed to maintaining leadership position in this new product category



- Fundamental realignment of L&W business underway
- Branch network has been rationalized
- Current focus is to implement centralized decision making
- Goal: leverage nationwide strength, local commitment



L&W
SUPPLY

NATIONWIDE STRENGTH
LOCAL COMMITMENT

Ceilings and International



- Ceilings:
 - Profitable, with growth opportunities
 - Achieved price improvement, operating efficiencies and excellent service levels
- International:
 - Solid results in Q1
 - Strategy includes continuing to build on our international footprint





Fareed Khan Executive VP, Finance and Strategy

Financial Results



Q1 2011 Consolidated Financial Results



\$ Millions (except EPS)	1Q11	1Q10
Net sales	721	716
Gross profit	36	14
% of net sales	5%	2%
Operating loss	(58)	(82)
Net loss	(105)	(110)
Diluted EPS	(1.01)	(1.10)
Adjusted operating loss*	(49)	(70)

**See reconciliation to GAAP operating loss on slide 13*

Q1 2011 Segment Results



\$ Millions

	<i>Net Sales</i>		<i>Operating Profit</i>	
	1Q11	1Q10	1Q11	1Q10
North American Gypsum	416	424	(29)	(35)
Building Products Distribution	243	248	(22)	(39)
Worldwide Ceilings	177	165	26	18
Eliminations/Corporate	(115)	(121)	(33)	(26)
TOTAL	721	716	(58)	(82)

USG Corporation

Other Consolidated Results



\$ Millions	1Q11	1Q10
SG&A	85	84
Restructuring and impairment charges	9	12
Interest expense	52	45
Capital expenditures	13	6

\$ Millions	3/31/11	12/31/10
Cash and cash equivalents and marketable securities	769	907
Total debt	2,307	2,308

Adjusted Operating Loss Reconciled to GAAP Operating Loss



\$ Millions	1Q11	1Q10	Fav/(Unfav) Change
Adjusted operating loss	(49)	(70)	21
Restructuring and long-lived asset impairment charges	9	12	3
Reported operating loss	(58)	(82)	24

Questions?





James S. Metcalf President and CEO

Closing Remarks

