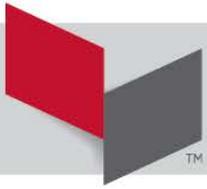


# BUILDING THE USG OF THE FUTURE

IT'S YOUR WORLD. BUILD IT.

Pending Acquisition of Ceilings Plus  
November 14, 2017



# Cautionary 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, including but not limited to, Ceilings Plus sales and the effect of the acquisition of Ceilings Plus on USG and its financial results. Actual business, market or other conditions may differ materially from management's expectations and, accordingly, may affect our sales and profitability or other results and liquidity. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date and we undertake no obligation to update any forward-looking statement. Actual results may differ materially due to various other factors, including: economic conditions, such as employment, household formation, home ownership rate, existing home price trends, availability of mortgage financing, interest rates, consumer confidence, job growth and discretionary business investment; our ability to maintain or achieve price increases; the loss of one or more major customers; the impact on our performance and financial results due to the disposition of L&W Supply, one of our largest customers; competitive conditions, such as price, quality and range of products; unexpected operational difficulties or catastrophic events at our facilities; an increasing number of our customers having significant buying power; increased costs, or decreased availability, of key raw materials or energy; our ability to successfully operate the USG Boral Building Products joint ventures, including risks that our joint venture partner, Boral Limited, may not fulfill its obligations as an investor or may take actions that are inconsistent with our objectives; exposure to risks of operating internationally; our ability to innovate and protect our intellectual property and other proprietary rights; our ability to make capital expenditures and achieve the expected return on investment; a disruption in our

information technology systems; significant changes in factors and assumptions used to measure our defined benefit plan obligations; changes in laws or regulations, including environmental and safety regulations; the outcome in legal and governmental proceedings; the ability of a small number of stockholders to influence our business and stock price; our ability to successfully pursue and complete acquisitions, joint ventures and other transactions to complement or expand our businesses; our ability to return capital to stockholders; the occurrence of an "ownership change" within the meaning of the Internal Revenue Code; ability to incur substantial additional indebtedness; 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. Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the "Risk Factors" in our most recent Annual Report on Form 10-K.

# Ceilings Plus Pending Acquisition

CEILINGS PLUS®

## Commentary

### Strategic Rationale

- Pending acquisition of a leading provider of specialty ceilings
- Significantly expands presence in attractive, fast-growing segment of the Ceilings market
- Enhances design and fabrication capabilities in specialty ceilings
- Increases penetration into architectural specifications
- Expected to enable early-stage cross-selling opportunities for USG's existing tile and grid ceilings products
- Consistent with growth and M&A strategy for bolt-on acquisitions that leverage core businesses

### Financial Highlights

- Purchase price of \$52 million, on a cash-free and debt-free basis
- Acquisition funded with cash on balance sheet
- Ceilings Plus expected to generate 2017 sales of >\$45 million
- Certain tax benefits due to asset purchase
- Acquisition expected to be:
  - Net present value positive
  - Neutral to earnings in 2018, inclusive of one-time integration costs, and accretive to earnings thereafter
  - Credit neutral

# Ceilings Plus Product Examples

Transportation



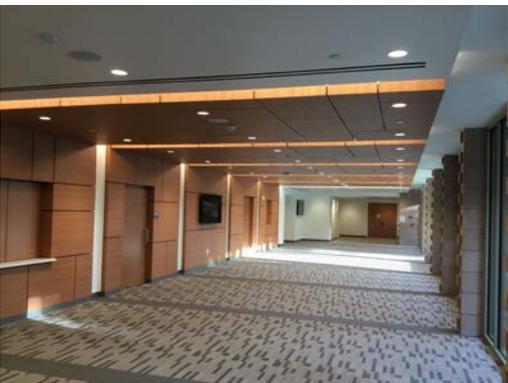
Educational



Office



Educational



Civic



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