



USG Corporation Third Quarter 2011 Earnings Conference Call and Webcast

October 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.

USG Corporation Third Quarter 2011



Agenda

- Overview

James S. Metcalf
President and CEO

- Financial Results

Richard H. Fleming
Executive VP, Chief Financial Officer

- Questions

- Closing Remarks

James S. Metcalf
President and CEO



James S. Metcalf President and CEO



Strategic Priorities



- Strengthen our core businesses
- Diversify the sources of our earnings
 - Select emerging markets
 - Adjacent products/systems
- Differentiate through innovation



Diversifying Earnings



J.D. IRVING, LIMITED



- Expanding in select international markets has the potential to reduce the cyclical nature of USG earnings
- Existing international businesses have performed well but lack critical mass
- Prior success entering new countries will serve as a template for future growth



Richard H. Fleming Executive VP, Chief Financial Officer

Financial Results



Q3 2011 Consolidated Financial Results



\$ Millions (except EPS)	3Q11	3Q10
Net sales	792	758
Gross profit	53	51
% of net sales	7%	7%
Operating loss	(76)	(58)
Net loss	(115)	(100)
Diluted EPS	(1.09)	(1.00)
Adjusted operating loss*	(17)	(23)

**See reconciliation to GAAP operating loss on slide 9*

Adjusted Operating Loss Reconciled to GAAP Operating Loss



\$ Millions	3Q11	3Q10	Fav/(Unfav) Change
Adjusted operating loss	(17)	(23)	6
Restructuring and long-lived asset impairment charges	59	35	(24)
Reported operating loss	(76)	(58)	(18)

Q3 2011 Segment Results



\$ Millions

	<i>Net Sales</i>		<i>Operating Profit</i>	
	3Q11	3Q10	3Q11	3Q10
North American Gypsum	437	413	(70)	(43)
Building Products Distribution	283	281	(17)	(24)
Worldwide Ceilings	183	174	25	21
Eliminations/Corporate	(111)	(110)	(14)	(12)
TOTAL	792	758	(76)	(58)

USG Corporation

Other Consolidated Results



\$ Millions	3Q11	3Q10
SG&A	70	74
Restructuring and impairment charges	59	35
Interest expense	54	45
Capital expenditures	13	7

\$ Millions	9/30/11	12/31/10
Cash and cash equivalents and marketable securities	677	907
Total debt	2,305	2,308



Questions?





James S. Metcalf President and CEO

Closing Remarks

