



USG Corporation Third Quarter 2010 Earnings Conference Call and Webcast

October 20, 2010



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USG Corporation Second Quarter 2010



Agenda

- Overview
William C. Foote
Chairman and CEO
- Operations
James S. Metcalf
President and COO
- Financial Results
Richard H. Fleming
Executive VP and CFO
- Questions
- Closing Remarks
William C. Foote
Chairman and CEO



William C. Foote Chairman and CEO

Overview



William C. Foote

Chairman and CEO



- Volumes remained weak
- Restructuring activities contributed to improvement in operating performance
- Strong, positive market reaction to rollout of Sheetrock[®] Brand UltraLight Panels

- Key areas of focus:
 - Continued cost control
 - Financial flexibility

- Substantial operating leverage as demand strengthens



James S. Metcalf President and COO

Operations



- Strategic priorities:
 - Strengthening our core businesses
 - Expanding internationally
 - Growing product adjacencies
 - Accelerating innovation

- Top priorities: safety and customer satisfaction
 - Safety:
 - Manufacturing and distribution continue excellent performance
 - Customer satisfaction:
 - Strong on-time delivery and invoice accuracy

- U.S. Gypsum
 - Sales down 8% from third quarter 2009
 - Average wallboard price up slightly from second quarter
 - Continued efficiencies in manufacturing and supply chain management
 - Joint treatment, DUROCK[®], FIBEROCK[®] outperformed market trends

- Sheetrock[®] Brand UltraLight Panels
 - 30% lighter and stronger pound-for-pound than standard drywall
 - Price premium
 - Better contractor productivity
 - Enables dealers to utilize less equipment
 - Environmentally friendly

James S. Metcalf

President and COO



James S. Metcalf

President and COO



- Ceilings:
 - Sales and operating profit improved
 - Targeting commercial repair and remodel, big box and key distributors
- L&W Supply:
 - Restructuring efforts and margin improvements lead to positive trends
 - Wallboard spread improvement
- International:
 - Sales and operating profit increase
 - Strong performance in Canada and Mexico

- Summary
 - Operating safely and efficiently
 - Industry leading customer service
 - Executing on strategic priorities
 - Strengthening core businesses
 - Growing select international markets
 - Expanding product adjacencies
 - Accelerating innovation



Richard H. Fleming Executive VP and CFO

Financial Results



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Q3 2010 Consolidated Financial Results



\$ Millions (except EPS)	3Q10	3Q09	
Net sales	758	822	Sales ↓ 8%
Gross profit	51	38	Gross Profit ↑ 34%
% of net sales	6.7%	4.6%	
Operating loss	(58)	(92)	
Net loss	(100)	(94)	
Diluted EPS	(1.00)	(0.96)	

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Other Consolidated Results



\$ Millions	3Q10	3Q09
SG&A	74	67
Restructuring and impairment charges	35	22
Interest expense	45	42
Capital expenditures	7	8

\$ Millions	9/30/10	12/31/09
Cash and cash equivalents and marketable securities	544	690
Total debt	1,959	1,962



Questions?





William C. Foote Chairman and CEO

Closing Remarks

