

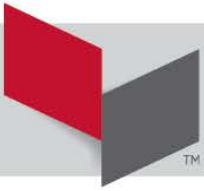
USG Corporation Fourth Quarter 2014 Earnings Conference Call and Webcast

February 5, 2015



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. 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. Actual results may differ materially 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; our substantial indebtedness and our ability to incur substantial additional indebtedness; competitive conditions, such as price, service and product competition; shortages in raw materials; changes in raw material and energy costs; volatility in the assumptions used to determine the funded status of our pension plans; the loss of one or more major customers and our customers' ability to meet their financial obligations to us; capacity utilization rates for us and the industry; our ability to expand into new geographic markets and the stability of such markets; our ability to successfully operate the joint venture with Boral Limited, 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; our ability to protect our intellectual property and other proprietary rights; changes in laws or regulations, including environmental and safety regulations; the satisfactory performance of certain business functions by third party service providers; our ability to achieve anticipated savings from cost reduction programs; 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. 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 and Quarterly Reports on Form 10-Q for the quarters ended June 30, 2014 and September 30, 2014.



USG Corporation Fourth Quarter 2014

Agenda

Overview and Strategy

James S. Metcalf
Chairman, President and CEO

Financial Results

Matthew F. Hilzinger
Executive VP, Chief Financial Officer

Building on the Recovery

James S. Metcalf
Chairman, President and CEO

Questions

Closing Remarks

James S. Metcalf
Chairman, President and CEO



FOURTH QUARTER 2014 GAAP RESULTS¹

\$ Millions	Q4 2014	Q4 2013	Change
Gypsum Sales	\$625	\$592	\$33
Ceilings Sales ²	\$121	\$140 ²	(\$19) ²
Distribution Sales	\$342	\$314	\$28
Eliminations	(\$134)	(\$131)	(\$3)
TOTAL USG CORPORATION – GAAP	\$954	\$915	\$39
Gypsum Operating Profit	(\$3)	\$73	(\$76)
Ceilings Operating Profit	\$18	\$21	(\$3)
Distribution Operating Profit	\$7	\$4	\$3
Corporate and Eliminations	(\$46)	(\$38)	(\$8)
TOTAL USG CORPORATION – GAAP	(\$24)	\$60	(\$84)
Total USG Boral Building Products (UBBP) Sales	\$272	—	\$272
Total USG Boral Building Products (UBBP) Operating Profit	\$38	—	\$38
USG's EQUITY INCOME FROM UBBP - GAAP	\$14		\$14

1. Effective April 1, 2014, we changed the composition of our reportable segments; accordingly prior year information has been recast to conform to the new segment structure. The recast historical segment data reflecting these changes was disclosed in our Form 8-K filed on July 24, 2014.

2. Ceilings sales for the current period exclude the results of the wholly owned subsidiaries and consolidated joint ventures that were contributed into UBBP, while the comparative period still reflects these sales as they were part of the consolidated group.



PLAN TO WIN

- **Strengthen the core**
 - North American manufacturing and distribution
 - De-lever our balance sheet
- **Diversify the sources of our earnings**
 - Strategic geographic extensions
 - USG Boral Building Products
 - Adjacent products/systems
- **Differentiate through innovation**
 - Differentiate USG in the market
 - Focus on high performance products and solutions that improve energy efficiency, sustainability, and speed of construction





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FY 2014 CONSOLIDATED FINANCIAL RESULTS

\$ Millions (except EPS)	FY 2014	FY 2013
Net sales	\$3,724	\$3,570
Gross profit	\$654	\$581
% of net sales	17.6%	16.3%
SG&A ¹	\$339	\$320
Operating profit	\$162	\$258
Interest expense	(\$179)	(\$203)
GAAP net income	\$37	\$47
Diluted EPS	\$0.25	\$0.42
Adjusted net income ²	\$168	\$73
Adjusted diluted EPS ³	\$1.15	\$0.66
Adjusted EBITDA ⁴	\$556	\$449

1. 2014 SG&A expense includes a pension settlement charge and a change in the presentation of commissions - see slide 16

2. See reconciliation to GAAP net income (loss) on slide 25

3. See reconciliation to GAAP diluted earnings (loss) per share on slide 30

4. See the reconciliation on slide 26



Q4 2014 CONSOLIDATED FINANCIAL RESULTS

\$ Millions (except EPS)	Q4 2014	Q4 2013
Net sales	\$954	\$915
Gross profit	\$160	\$151
% of net sales	16.8%	16.5%
SG&A ¹	\$109	\$91
Operating profit (loss)	(\$24)	\$60
Interest expense	(\$44)	(\$52)
GAAP net loss	(\$53)	(\$3)
Diluted EPS	(\$0.36)	(\$0.03)
Loss from discontinued operations, net of tax	—	\$1
Long-lived asset impairment charges	\$60	—
Contract termination charge and loss on receivable	\$15	—
Pension settlement charges	\$13	\$16
Withholding taxes on dividends between foreign entities	—	\$6
Bridge loan commitment financing fee	—	\$2
Adjusted net income ²	\$35	\$22
Adjusted diluted EPS ³	\$0.24	\$0.19
Adjusted EBITDA ⁴	\$131	\$116

1. Q4 2014 SG&A expense includes a pension settlement charge and a change in the presentation of commissions - see slide 16

2. See reconciliation to GAAP net income (loss) on slide 25

3. See reconciliation to GAAP diluted earnings (loss) per share on slide 30

4. See the reconciliation on slide 26



QUARTERLY SUMMARY BY BUSINESS UNIT

\$ Millions	Q4 2014	Q4 2013⁶	Change
Gypsum adjusted operating profit ¹	\$72	\$82	(\$10)
Ceilings adjusted operating profit ¹	\$18	\$23	(\$5)
Distribution adjusted operating profit ¹	\$7	\$7	—
Adjusted equity income from USG Boral Building Products ²	\$14	—	\$14
Equity income from other joint ventures	\$1	(\$1)	\$2
Corporate and eliminations adjusted operating loss ¹	(\$33)	(\$36)	\$3
USG Consolidated Adjusted Operating Profit¹	\$79	\$75	\$4
Gypsum DD&A	\$29	\$29	—
Ceilings DD&A	\$5	\$2	\$3
Distribution DD&A	\$2	\$2	—
Corporate and eliminations DD&A ³	\$1	\$1	—
USG Consolidated DD&A	\$37	\$34	\$3
Gypsum adjusted EBITDA ⁴	\$102	\$113	(\$11)
Ceilings adjusted EBITDA ⁴	\$23	\$26	(\$3)
Distribution adjusted EBITDA ⁴	\$9	\$9	—
USG's share of USG Boral Building Products adjusted EBITDA ⁵	\$23	—	\$23
Corporate and Eliminations Adjusted EBITDA ⁴	(\$26)	(\$32)	\$6
USG Consolidated Adjusted EBITDA⁴	\$131	\$116	\$15

1. See a full reconciliation to GAAP operating profit on slide 24

2. See a full reconciliation to GAAP income from equity method investments on slide 27

3. Depreciation, depletion and amortization for Corporate and Eliminations excludes amortization of debt discount which is included in interest expense

4. See the reconciliation on slide 26

5. See reconciliation to USG Boral net income on slide 28

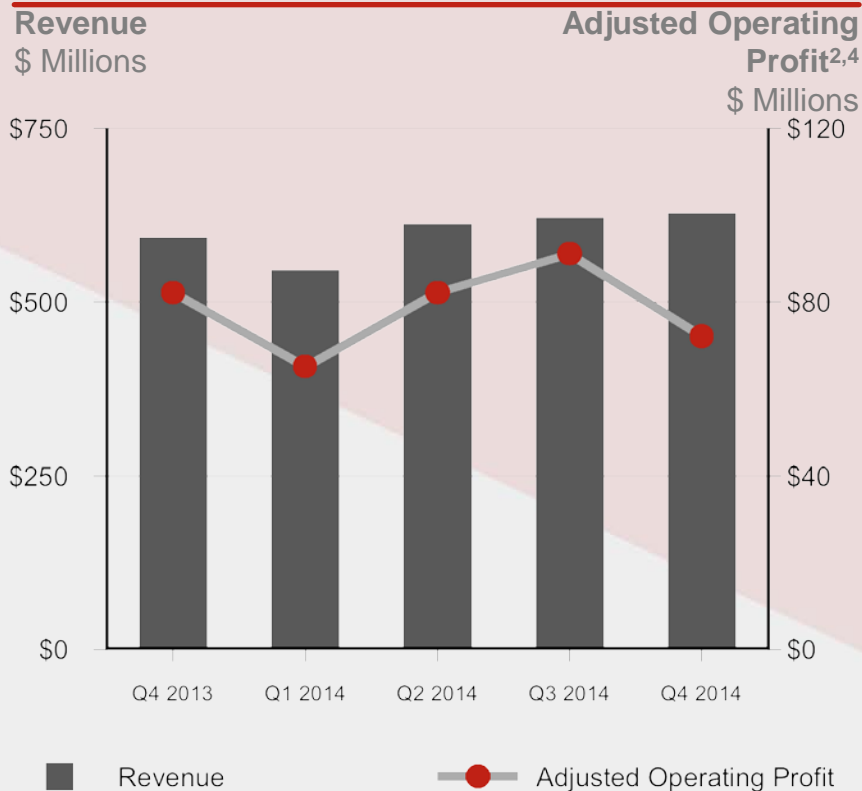
6. See discussion of changes to our reportable segments in footnote 1 on slide 4



GYPSUM

Q4 2014 Highlights

- Operating profit improved in Q4 2014, excluding non-core shipping business (GTL) charges
- US surfaces and substrates increased by \$5 million
- GTL charges consisted of asset impairment charge of \$60 million, contract termination charge and loss on receivable of \$15 million, and \$9 million lower operating profit - all due to trading partner ceasing operations



1. See discussion of changes to our reportable segments in footnote 1 on slide 4

2. See reconciliation to GAAP operating profit on slide 24

Q4 2013 Operating Profit¹	\$73
US Wallboard Price	\$13
US Wallboard Cost	(\$1)
US Wallboard Volume	\$5
US Surfaces and Substrates	\$5
Natural Gas Hedges MTM Impact	(\$7)
Canada and Mexico	(\$4)
IT Investments and Other Costs	(\$7)
2013 Items Not Recurring in 2014	(\$5)
GTL - Lower Profit	(\$9)
Pension Settlement Charges in Q4 2013	\$9
GTL - Charges	(\$75)
Q4 2014 Operating Profit (Loss)	(\$3)

\$ Millions	Q4 2014	Q4 2013 ¹	Variance
Net Sales	\$625	\$592	\$33
Operating Profit (Loss)	(\$3) ³	\$73	(\$76)
Adjustments²	\$75	\$9	\$66
Adjusted Operating Profit²	\$72	\$82	(\$10)
DD&A	\$29	\$29	\$—

3. Operating profit includes the impact of asset impairment charge of \$60 million and contract termination charge and loss on receivable of \$15 million

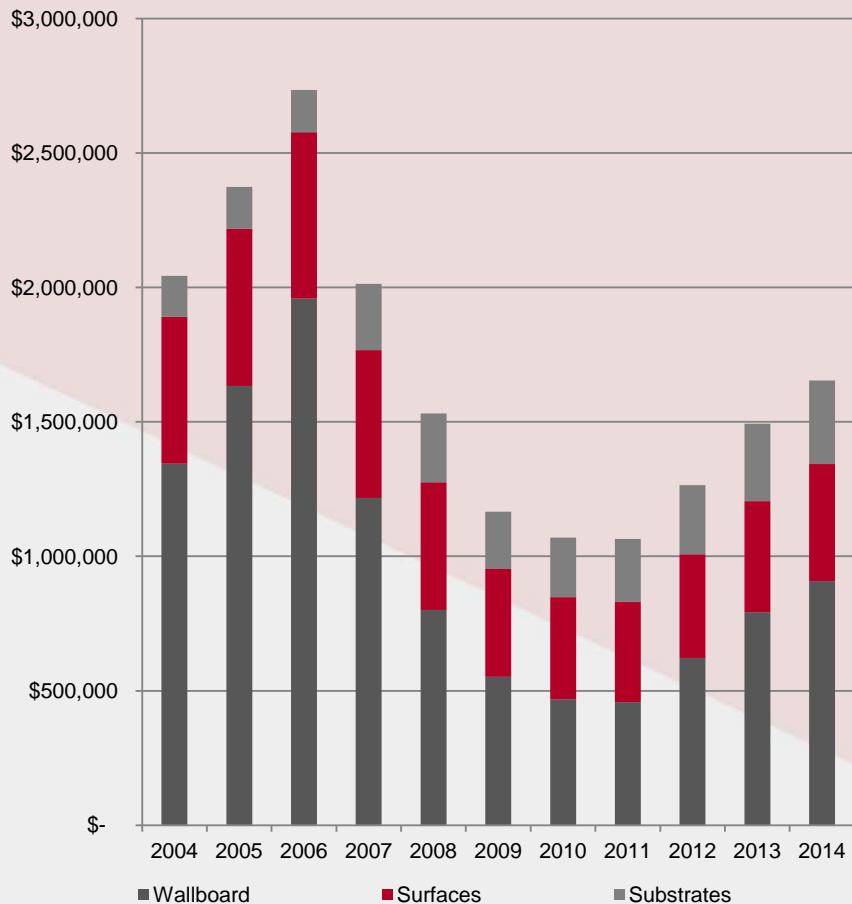
4. See reconciliation to GAAP operating profit for Q4 2013, Q1 2014, Q2 2014, and Q3 2014 on slide 31



GYPSUM

Wallboard, Surfaces, Substrates

Surfaces and Substrates sales account for almost half of Gypsum revenue through the cycle with less volatility in gross margin



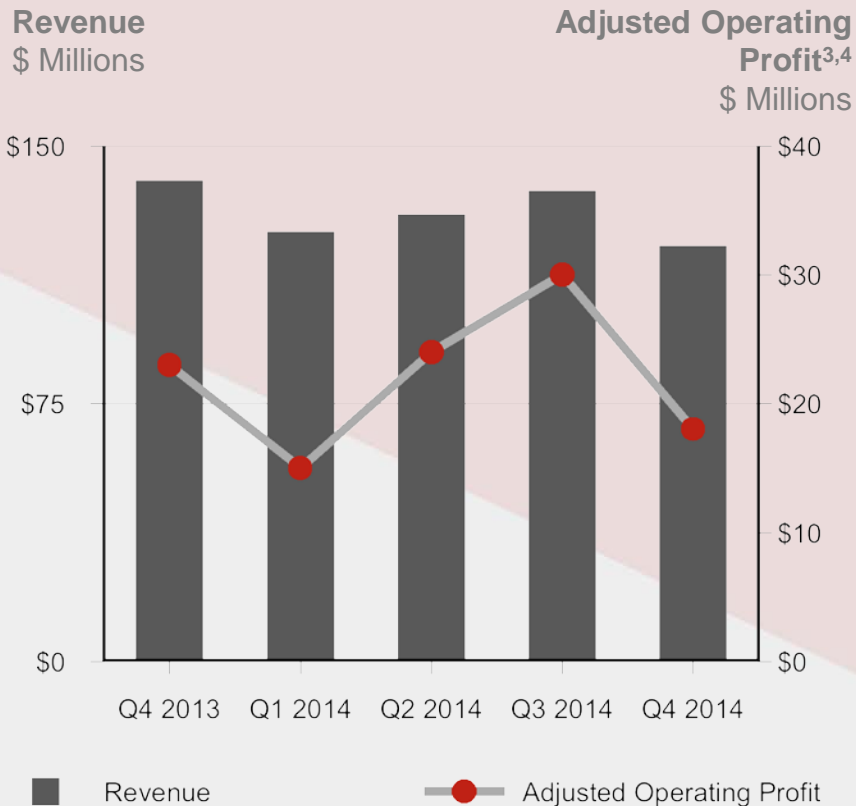
- Since 2004, the average gross margin percentage on Wallboard is 10% higher than Surfaces and Substrates
- The gross margin standard deviation for Surfaces and Substrates is substantially lower at 2% and 5%, respectively, compared to Wallboard at 18%



CEILINGS

Q4 2014 Highlights

- Strength in current quarter pricing and the trend towards higher performing, higher margin products were offset by volumes retreating in a commercial market with uneven improvement
- Less inventory pull-forward in Q4 2014 vs the prior year
- Canada and Mexico impacted by unfavorable currency movements



Q4 2013 Operating Profit¹	\$21
Tile & Grid Price	\$3
Tile & Grid Volume	(\$2)
Tile & Grid Cost	(\$1)
Canada and Mexico	(\$2)
IT and Other Costs	(\$3)
Pension Settlement Charges in Q4 2013	\$2
Q4 2014 Operating Profit	\$18

\$ Millions	Q4 2014	Q4 2013 ¹	Variance
Net Sales	\$121	\$140	(\$19) ²
Operating Profit	\$18	\$21	(\$3)
Adjustments³	—	\$2	(\$2)
Adjusted Operating Profit³	\$18	\$23	(\$5)
DD&A	\$5	\$2	\$3

1. See discussion of changes to our reportable segments footnote 1 on slide 4

2. Excluding the sales for entities contributed to UBPP, the variance would have been (\$4 million). See slide 13.

3. See reconciliation to GAAP operating profit on slide 24

4. See reconciliation to GAAP operating profit for Q4 2013, Q1 2014, Q2 2014, and Q3 2014 on slide 31



CEILINGS REVENUE RECONCILIATION

Adjusting for the results of the businesses contributed to the USG-Boral joint venture, Ceilings net sales were only slightly down versus the prior comparable periods

Q4 2013 Net Sales ¹	Net Sales of Entities Contributed to UBBP	Q4 2013 Adjusted Net Sales ²	Q4 2014 Net Sales ³	Variance
\$140	(\$15)	\$125	\$121	(\$4)

FY 2013 Net Sales ¹	Net Sales of Entities Contributed to UBBP	FY 2013 Adjusted Net Sales ²	FY 2014 Net Sales ⁴	Variance
\$568	(\$51)	\$517	\$506	(\$11)

1. See discussion of changes to our reportable segments in Footnote 1 on slide 4.

2. USG International's net sales for the three and twelve months ended December 31, 2013 as reported include the results of our wholly-owned subsidiaries and consolidated joint ventures for the respective time period as those entities were not contributed to UBBP until February 27, 2014. As such, in this slide we have adjusted the net sales for the three and twelve months ended December 31, 2013 to exclude \$15 million and \$51 million, respectively, in net sales attributable to the entities contributed to UBBP in order to provide comparative net sales metrics.

3. Net sales for the three months ended December 31, 2014 have not been adjusted as our wholly-owned subsidiaries and consolidated joint ventures were contributed to UBBP on February 27, 2014, and therefore already exclude the sales of those contributed entities.

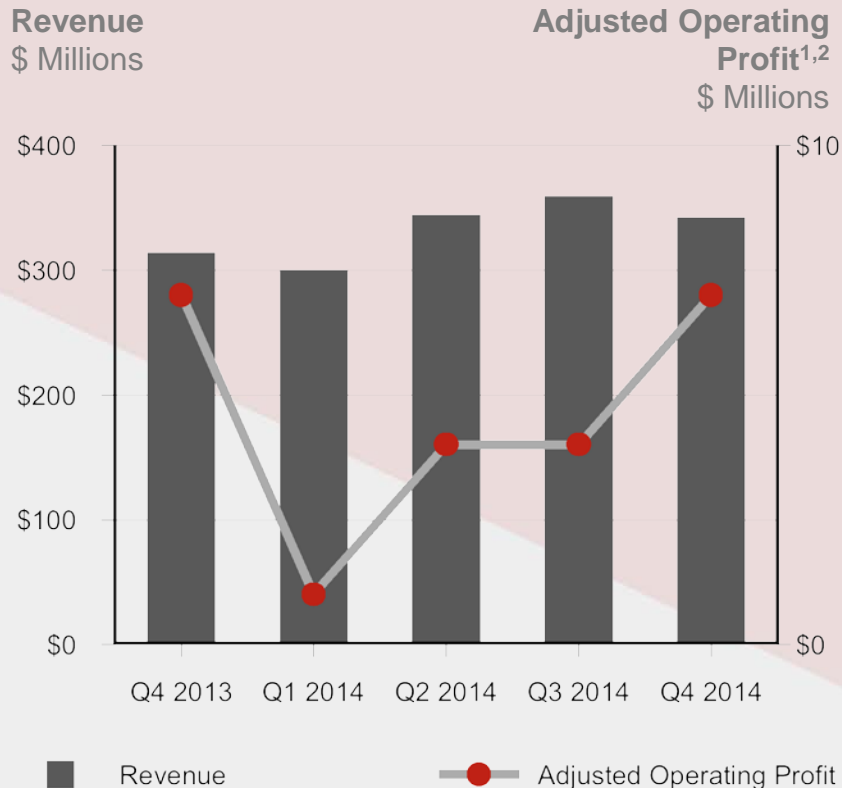
4. Net sales for FY 2014 have been adjusted in this slide for \$7 million of net sales generated in the two-month period by the then wholly-owned subsidiaries and consolidated joint ventures that were contributed to UBBP on February 27, 2014.



DISTRIBUTION

Q4 2014 Highlights

- \$342 million of net sales drove highest operating profit since Q2 2008 when net sales of \$542 million yielded \$7 million in operating profit
- Same store sales increased 8%
- Wallboard volumes improved by 2%



Q4 2013 Operating Profit	\$4
Wallboard Margin and Volume	\$2
Ceilings & Other Core Products	\$1
COGS/Overhead	(\$3)
Pension Settlement Charges in Q4 2013	\$3
Q4 2014 Operating Profit	\$7

\$ Millions	Q4 2014	Q4 2013	Variance
Net Sales	\$342	\$314	\$28
Operating Profit	\$7	\$4	\$3
Adjustments¹	—	\$3	(\$3)
Adjusted Operating Profit¹	\$7	\$7	—
DD&A	\$2	\$2	—

1. See reconciliation to GAAP operating profit on slide 24

2. See reconciliation to GAAP operating profit for Q4 2013, Q1 2014, Q2 2014, and Q3 2014 on slide 31



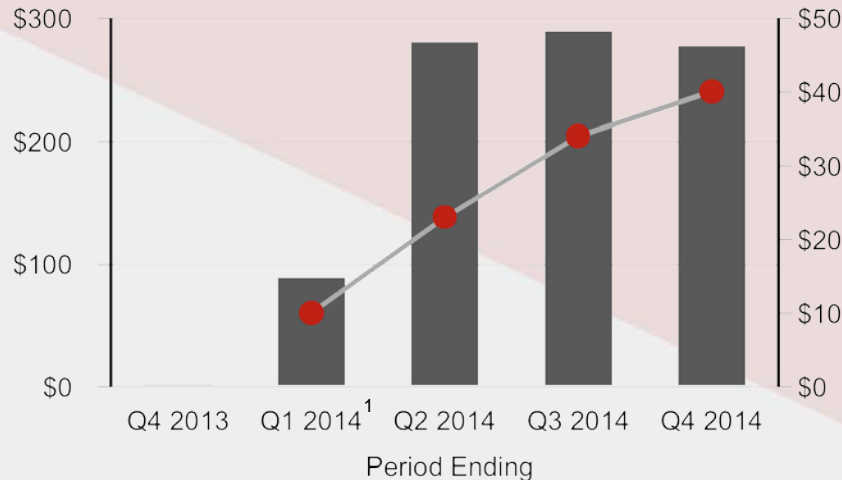
USG BORAL BUILDING PRODUCTS

Q4 2014 Highlights

- Generated \$35 million in adjusted earnings in 10 months of operations²
- Sheetrock branded products now being sold in Australia, Korea and Thailand at higher premium prices
- Continued strong growth in joint compounds and other adjacent products
- UBBP recouped the \$3 million of facility damage costs incurred earlier in the year

USG Boral Revenue
\$ Millions

USG Boral Adjusted Operating Profit^{2,3}
\$ Millions



■ Revenue ● Adjusted Operating Profit

Q4 2013 USG's Equity Income from UBBP

USG Boral core results	\$11
Facility damage insurance recovery	\$3

Q4 2014 USG's Equity Income from UBBP

\$14

\$ Millions	Q4 2014	Q4 2013	Variance
Total JV Net sales	\$272		\$272
Total JV Operating profit	\$38		\$38
Adjustments²	—		—
Total JV Adjusted operating profit²	\$38		\$38
Total JV Adjusted net income²	\$28		\$28
USG's Adjusted equity income from UBBP²	\$14		\$14
Total JV DD&A	\$9		\$9

1. Q1 2014 only includes one month of USG Boral operations due to the joint venture's commencement at the end of February 2014

2. See a full reconciliation to GAAP operating profit, net income, and income from equity method investments on slide 27

3. See reconciliation to GAAP operating profit for Q1 2014, Q2 2014, and Q3 2014 on slide 27



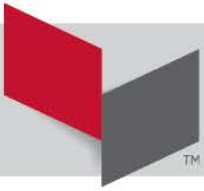
SG&A EXPENSE

SG&A increased by \$3 million or less than 1% on a normalized basis on an increase of \$154 million in net sales¹

	Q4	Full Year
2013 SG&A	\$91	\$320
Increase in SG&A	\$2	\$3
Change in Presentation of Sales Commissions ¹	\$7	\$7
2014 Normalized SG&A	\$100	\$330
Pension Settlement Charges ²	\$9	\$9
2014 SG&A	\$109	\$339

1. In Q4 2014, \$7 million of certain sales commission expenses previously included in net sales are now presented in SG&A, and thus operating profit neutral to the fourth quarter and FY 2014. These commissions will be recorded in SG&A on a go-forward basis.

2. \$13 million of SG&A costs were incurred in Q4 2014 to settle a pension plan in the United Kingdom, however only \$9 million was incremental to the prior year pension settlement charges.



2015 Financial Outlook

- SG&A costs: \$340 to \$350 million range¹
- Raw material and conversion costs: low-single digit range increase
- Natural gas costs: flat with 2014
- Transportation costs: low-single digit range increase
- Tax expense and cash taxes: \$6 to \$10 million
- Capital expenditures: \$100 million
- Interest payments: \$167 million
- Pension: cash contribution of \$65 million and pension expense of \$70 million

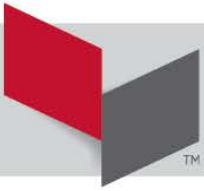
1. Includes sales commission expenses previously included in net sales that are now presented in SG&A. See slide 16.



Q4 2014 CONSOLIDATED CASH FLOW

\$ Millions	12 months ended December 31, 2014	12 months ended December 31, 2013
Cash flow provided by operations	\$173	\$80
• Capital expenditures	(\$132)	(\$124)
• Investments in joint ventures	(\$560)	(\$5)
• Net proceeds from asset dispositions	\$16	\$2
• Acquisition of mining rights	—	(\$17)
• Other ¹	\$5	(\$2)
Adjusted cash flow used for investing activities¹	(\$671)	(\$146)
Cash flow (used for) provided by financing activities	(\$66)	\$350
Net cash used for discontinued operations	(\$1)	(\$2)
Effect of exchange rate on cash	(\$5)	(\$7)
Adjusted decrease in cash and cash equivalents¹	(\$570)	\$275
	December 31, 2014	December 31, 2013
Cash and cash equivalents and marketable securities	\$382	\$952
Total liquidity	\$673	\$1,266
Total debt	\$2,209	\$2,355

1. US GAAP measure of net cash used for investing activities was \$683 million and \$157 million in the twelve months ended December 31, 2014 and 2013, respectively, and includes net (purchases)/sales of marketable securities of (\$14) million and (\$11) million in the each of those respective periods. The net change in marketable securities was \$12 million and includes the net purchases of \$14 million and \$2 million of amortization of premiums and accretion of discounts to maturity. For purposes of this cash flow presentation, such amortization and accretion is included in other.



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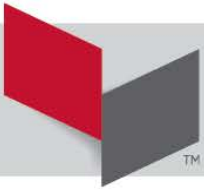
2015 End Market Economic Outlook

North America

- We believe that 2015 will be better than 2014 in each of our end-markets
- We project that 2015 housing starts will be near the middle of a 1.0 to 1.2 million start range
- We expect to see low-to-mid single digit growth in the repair and remodel market
- Commercial demand shows uneven improvement but picking up momentum – we are seeing more positive macro-economic indicators and expect mid-single digit growth

USG-Boral Territories

- Volume CAGR in the JV territories has been about 7% over past 7 years – and we expect mid-to-high single digit growth to continue in 2015



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Non-GAAP Financial Measures

In this presentation, the corporation's financial results are provided both in accordance with accounting principles generally accepted in the United States of America (GAAP) and using certain non-GAAP financial measures. In particular, the corporation presents the non-GAAP financial measures adjusted EBITDA, adjusted operating profit, adjusted net income, adjusted equity income of USG Boral Building Products, or UBBP, normalized selling, general, and administrative expense, adjusted net sales and adjusted basic and diluted earnings per share, which exclude certain items. In addition, adjusted operating profit on a consolidated basis includes the corporation's equity method income from UBBP and USG's other equity method investments, and adjusted EBITDA on a consolidated basis includes the corporation's share of UBBP's adjusted EBITDA. Further, management believes it is appropriate to exclude the indicated items from UBBP equity income because the resulting UBBP adjusted equity income can be used to evaluate the financial performance of UBBP. The non-GAAP financial measures are included as a complement to results provided in accordance with GAAP because management believes these non-GAAP financial measures help investors' ability to analyze underlying trends in the corporation's business, evaluate its performance relative to other companies in its industry and provide useful information to both management and investors by excluding certain items that may not be indicative of the corporation's core operating results. Adjusted operating profit includes the adjusted equity method income from UBBP and USG's income from other equity investments and adjusted EBITDA includes the corporation's share of UBBP's adjusted EBITDA because management views UBBP and its other equity investments as important businesses. In addition, the corporation uses adjusted operating profit and adjusted net income as components in the measurement of incentive compensation. The non-GAAP measures should not be considered a substitute for or superior to GAAP results and may vary from others in the industry. For further information related to the corporation's use of non-GAAP financial measures, and the reconciliations to the nearest GAAP measures, see the schedules attached hereto.



ADJUSTED OPERATING PROFIT RECONCILED TO GAAP OPERATING PROFIT

\$ Millions	Q4 2014	Q4 2013 ²	Change
Reported GAAP Operating Profit (Loss)			
• Gypsum	(\$3)	\$73	(\$76)
• Ceilings	\$18	\$21	(\$3)
• Distribution	\$7	\$4	\$3
• Corporate, Other & Eliminations	(\$46)	(\$38)	(\$8)
Total	(\$24)	\$60	(\$84)
Adjustments to GAAP Operating Profit (Loss)			
• Gypsum – Long-lived asset impairment charges	\$60	—	\$60
• Gypsum – Contract termination charge and loss of receivable	\$15	—	\$15
• Gypsum – Pension settlement charge	—	\$9	(\$9)
• Ceilings – Pension settlement charge	—	\$2	(\$2)
• Distribution – Pension settlement charge	—	\$3	(\$3)
• Corporate, Other & Elims – Pension settlement charge	\$13	\$2	\$11
Total	\$88	\$16	\$72
Adjusted Operating Profit – Non-GAAP measure			
• Gypsum	\$72	\$82	(\$10)
• Ceilings	\$18	\$23	(\$5)
• Distribution	\$7	\$7	—
• Corporate, Other & Eliminations	(\$33)	(\$36)	\$3
Other Adjustments			
• Adjusted equity income from UBBP ¹	\$14	—	\$14
• Equity income from other joint ventures	\$1	(\$1)	\$2
Total Adjusted Operating Profit	\$79	\$75	\$4

1. See a full reconciliation to GAAP income from equity method investments on slide 27
 2. See discussion of changes to our reportable segments in footnote 1 on slide 4



ADJUSTED NET INCOME RECONCILED TO GAAP NET INCOME (LOSS)

\$ Millions	Q4 2014	Q4 2013	FY 2014	FY 2013
Net Income (Loss) – GAAP Measure	(\$53)	(\$3)	\$37	\$47
Adjustments:				
Loss from discontinued operations, net of tax	—	\$1	\$1	\$2
Gain on sale of surplus property	—	—	(\$12)	—
Litigation settlement charge	—	—	\$48	—
Long-lived asset impairment charges	\$60	—	\$90	—
Contract termination charge/loss on receivable	\$15	—	\$15	—
Restructuring charges	—	—	—	\$3
USG share of UBBP restructuring charges, net of tax	—	—	\$2	—
Pension settlement charge	\$13	\$16	\$13	\$16
Withholding taxes on foreign dividends	—	\$6	—	\$6
Bridge loan commitment financing fee	—	\$2	—	\$2
Gain on deconsolidation of subsidiaries and JV's	—	—	(\$27)	—
Withholding tax on property contributed to UBBP	—	—	\$1	—
Reduction in deferred tax valuation allowance	—	—	—	(\$3)
Adjusted Net Income – Non-GAAP Measure	\$35	\$22	\$168	\$73

QUARTERLY ADJUSTED EBITDA RECONCILED TO QUARTERLY OPERATING PROFIT

\$ Millions	Q4 2014						Q4 2013 ¹					FY 2014	FY 2013
	Gyp	Ceilings	Distr.	UBBP	Corp/ Elim	Q4	Gyp	Ceilings	Distr.	Corp/ Elim	Q4		
GAAP Operating profit/(loss)	(\$3)	\$18	\$7		(\$46)	(\$24)	\$73	\$21	\$4	(\$38)	\$60	\$162	\$258
Interest expense, net					(\$44)	(\$44)				(\$52)	(\$52)	(\$178)	(\$200)
Income tax expense					—	—				(\$10)	(\$10)	(\$7)	(\$11)
USG's equity income from UBBP ⁵					\$14	\$14						\$60	—
Income from other equity method investments					\$1	\$1				(\$1)	(\$1)	\$2	\$1
Loss from discontinued operations, net of tax					—	—				(\$1)	(\$1)	(\$1)	(\$2)
Net (income) loss attributable to non-controlling interest					—	—				\$1	\$1	(\$1)	\$1
Income (loss) from continuing operations						(\$53)					(\$3)	\$37	\$47
Add: interest expense, net ²					\$44	\$44				\$52	\$52	\$178	\$200
Add: income tax expense ²					—	—				\$10	\$10	\$7	\$11
Add: depreciation, depletion, and amortization ³	\$29	\$5	\$2		\$1	\$37	\$29	\$2	\$2	\$1	\$34	\$146	\$145
EBITDA	\$26	\$23	\$9		(\$30)	\$28	\$102	\$23	\$6	(\$38)	\$93	\$368	\$403
Add: share-based compensation expense ²					\$5	\$5				\$4	\$4	\$21	\$19
Add: ARO accretion expense	\$1	—	—		—	\$1	\$2	\$1	—	—	\$3	\$7	\$8
Add: restructuring charges	—	—	—		—	—	—	—	—	—	—	—	\$3
Add: litigation settlement charge	—	—	—		—	—	—	—	—	—	—	\$48	—
Add: long-lived asset impairment charges	\$60	—	—		—	\$60	—	—	—	—	—	\$90	—
Subtract: gain on sale of surplus property	—	—	—		—	—	—	—	—	—	—	(\$12)	—
Add: pension settlement charges	—	—	—		\$13	\$13	\$9	\$2	\$3	\$2	\$16	\$13	\$16
Add: contract termination charge and loss on receivable	\$15	—	—		—	\$15	—	—	—	—	—	\$15	—
Subtract: USG's equity income from UBBP ⁵					(\$14)	(\$14)						(\$60)	—
Add: USG's share of UBBP Adjusted EBITDA ⁴				\$23		\$23						\$66	—
Adjusted EBITDA	\$102	\$23	\$9	\$23	(\$26)	\$131	\$113	\$26	\$9	(\$32)	\$116	\$556	\$449

1. See discussion of changes to our reportable segments in footnote 1 on slide 4

2. Interest, tax, and share-based compensation are not allocated to our reportable segments; therefore, these items are reflected in the column Corp/Elim

3. Depreciation, depletion and amortization excludes the amortization of deferred financing fees which is included in interest expense

4. See USG Boral Building Products EBITDA reconciliation on slide 28

5. USG's equity income from UBBP, for the full year 2014, is comprised of USG's equity income from UBBP of \$33 million and gain on deconsolidation of subsidiaries of \$27 million.



Q4 2014 ADJUSTED FINANCIAL RESULTS OF USG BORAL BUILDING PRODUCTS

\$ Millions	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Operating Profit – GAAP	\$10	\$16	\$31	\$38	\$95
Adjustments: Income from equity method investments owned by UBBP	—	\$1	\$3	\$2	\$6
Adjustments: Restructuring charges, pre-tax	—	\$7	—	—	\$7
Adjustments: Operating profit attributable to non-controlling interest, pre-tax	(\$1)	(\$2)	(\$1)	(\$2)	(\$6)
Adjusted Operating Profit – Non-GAAP	\$9	\$22	\$33	\$38	\$102
Net Income attributable to USG Boral Building Products – GAAP	\$6	\$9	\$24	\$28	\$67
Adjustments: Restructuring charges, net of tax	—	\$5	—	—	\$5
Adjusted Net Income attributable to USG Boral Building Products – Non-GAAP	\$6	\$14	\$24	\$28	\$72
USG share of income from equity method investments – GAAP	\$3	\$5	\$12	\$15	\$35
Less: Income from equity method investments – other joint ventures	—	(\$1)	—	(\$1)	(\$2)
Adjustments: USG's share of USG Boral Building Products restructuring charges, net of tax	—	\$2	—	—	\$2
Adjusted equity income from USG Boral Building Products – Non-GAAP	\$3	\$6	\$12	\$14	\$35



USG BORAL BUILDING PRODUCTS Q4 2014 ADJUSTED EBITDA RECONCILIATION

\$ Millions	UBBP	UBBP
	Q4 2014	FY 2014
GAAP Operating profit	\$38	\$95
Interest expense/(income), net	—	—
Income tax expense	(\$10)	(\$29)
Income from equity method investments owned by UBBP	\$2	\$6
Net Income	\$30	\$72
Net income attributable to non-controlling interest	(\$2)	(\$5)
Net Income attributable to USG Boral Building Products	\$28	\$67
Add back: Restructuring, net of tax	—	\$5
Adjusted Net Income attributable to USG Boral Building Products	\$28	\$72
Add: interest expense/(income), net	—	—
Add: income tax expense	\$10	\$29
Add: depreciation, depletion, and amortization	\$9	\$31
TOTAL USG Boral Building Products Adjusted EBITDA	\$47	\$132
USG's share of USG Boral Building Products Adjusted EBITDA	\$23	\$66



ADJUSTED BASIC EPS RECONCILED TO GAAP BASIC EPS

	Q4 2014	Q4 2013	FY 2014	FY 2013
Income (Loss) per average common share – basic – GAAP	(\$0.36)	(\$0.03)	\$0.26	\$0.43
Adjustments per average common share:				
Loss from discontinued operations, net of tax	—	\$0.01	\$0.01	\$0.02
Gain on sale of surplus property	—	—	(\$0.08)	—
Litigation settlement charge	—	—	\$0.34	—
Long-lived asset impairment charges	\$0.41	—	\$0.63	—
Contract termination charge and loss on receivable	\$0.10	—	\$0.11	—
Restructuring charges	—	—	—	\$0.03
USG's share of UBBP restructuring charges, net of tax	—	—	\$0.01	—
Pension settlement charge	\$0.09	\$0.14	\$0.09	\$0.15
Withholding taxes on dividends between foreign entities	—	\$0.05	—	\$0.05
Bridge loan commitment financing fee	—	\$0.02	—	\$0.02
Gain on deconsolidation of subsidiaries and consolidated joint ventures	—	—	(\$0.19)	—
Withholding tax on property contributed to USG Boral joint venture	—	—	\$0.01	—
Reduction in valuation allowance for deferred tax assets	—	—	—	(\$0.03)
Adjusted earnings per average common share – basic – Non-GAAP	\$0.24	\$0.19	\$1.19	\$0.67
Average common shares – GAAP	144,837,591	113,536,253	141,722,616	108,891,703



ADJUSTED DILUTED EPS RECONCILED TO GAAP DILUTED EPS

	Q4 2014	Q4 2013	FY 2014 ¹	FY 2013
Income (Loss) per average diluted common share – GAAP	(\$0.36)	(\$0.03)	\$0.25	\$0.42
Adjustments per average diluted common share:				
Loss from discontinued operations, net of tax	—	\$0.01	\$0.01	\$0.02
Gain on sale of surplus property	—	—	(\$0.08)	—
Litigation settlement charge	—	—	\$0.33	—
Long-lived asset impairment charges	\$0.41	—	\$0.61	—
Contract termination charge and loss on receivable	\$0.10	—	\$0.10	—
Restructuring charges	—	—	—	\$0.03
USG's share of UBBP restructuring charges, net of tax	—	—	\$0.01	—
Pension settlement charge	\$0.09	\$0.14	\$0.09	\$0.15
Withholding taxes on dividends between foreign entities	—	\$0.05	—	\$0.05
Bridge loan commitment financing fee	—	\$0.02	—	\$0.02
Gain on deconsolidation of subsidiaries and consolidated joint ventures	—	—	(\$0.18)	—
Withholding tax on property contributed to USG Boral joint venture	—	—	\$0.01	—
Reduction in valuation allowance for deferred tax assets	—	—	—	(\$0.03)
Adjusted earnings per adjusted average diluted common share – Non-GAAP	\$0.24	\$0.19	\$1.15	\$0.66
Average diluted common shares – GAAP	144,837,591	113,536,253	144,296,316	111,434,543
Adjustment to add common shares that would be dilutive based on adjusted net income	2,355,825	2,703,140	2,797,618	—
Adjusted average diluted common shares – Non-GAAP	147,193,416	116,239,393	147,093,934	111,434,543

1. Adjusted earnings per average diluted common share for the year ended December 31, 2014 is based on \$170 million of adjusted income available to shareholders, which represents adjusted net income plus \$2 million for the dilutive effect of our 10% convertible senior notes that were outstanding for a portion of 2014.



ADJUSTED OPERATING PROFIT RECONCILED TO GAAP OPERATING PROFIT - PRIOR PERIODS

\$ Millions	Q4 2013 ¹	Q1 2014 ¹	Q2 2014	Q3 2014
Reported GAAP Operating Profit				
• Gypsum	\$73	\$65	\$95	\$12
• Ceilings	\$21	\$15	\$24	\$30
• Distribution	\$4	\$1	\$4	\$4
• Corporate, Other & Eliminations	(\$38)	(\$15)	(\$25)	(\$24)
Total	\$60	\$66	\$98	\$22
Adjustments to GAAP Operating Profit				
• Gypsum – litigation settlement charge	—	—	—	\$48
• Gypsum – Long-lived asset impairment charges	—	—	—	\$30
• Gypsum – Gain on sale of surplus property	—	—	(\$12)	—
• Gypsum – Pension settlement charge	\$9	—	—	—
• Ceilings – Pension settlement charge	\$2	—	—	—
• Distribution – Pension settlement charge	\$3	—	—	—
• Corporate, Other & Elims – Pension settlement charge	\$2	—	—	—
Total	\$16	—	\$(12)	\$78
Adjusted Operating Profit – Non-GAAP measure				
• Gypsum	\$82	\$65	\$83	\$90
• Ceilings	\$23	\$15	\$24	\$30
• Distribution	\$7	\$1	\$4	\$4
• Corporate, Other & Eliminations	(\$36)	(\$15)	(\$25)	(\$24)
Other Adjustments				
• Adjusted equity income from UBBP	—	\$3	\$6	\$12
• Equity income from other joint ventures	(\$1)	—	\$1	—
Total Adjusted Operating Profit	\$75	\$69	\$93	\$112

1. See discussion of changes to our reportable segments in footnote 1 on slide 4