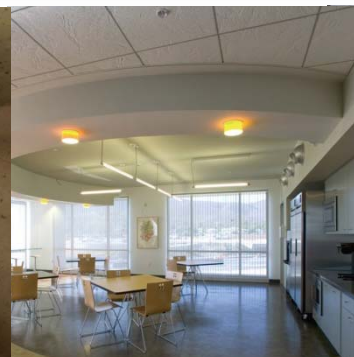




USG Corporation Second Quarter 2009 Earnings Conference Call and Webcast

July 22, 2009



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, the availability of borrowings under our credit agreements 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 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 Second Quarter 2009 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



William C. Foote Chairman and CEO

Overview



William C. Foote

Chairman and CEO



- Market conditions very similar to last several months
 - *Housing starts remained low*
 - *Repair and remodeling declined further*
 - *Non-residential continued to worsen*
 - *International markets in recession*
- 2Q09 sales down by over \$400 million, or 34%, yet operating loss virtually unchanged vs. 2Q08
- Results benefited from aggressive actions to resize the company, cut costs and improve margins

William C. Foote Chairman and CEO



- Heightened focus on liquidity
 - 6/30/09 cash and total liquidity improved from 3/31/09 levels
 - Cash of \$302 million was up from \$223 million
 - Total liquidity of \$495 million was up from \$429 million
 - Managing working capital, capital expenditures and financing

- A consistent strategy – Managing the Fundamentals
 - Safety
 - Quality
 - Customer satisfaction
 - Innovation
- Strategy is succeeding

- Looking ahead...
 - New residential – stability at low levels
 - Repair and remodel – slower rate of decline
 - Non-residential – further, fairly significant drop

- Conclusion
 - Confident in ability to stay ahead of the market downturn
 - Results demonstrate success of strategies



James S. Metcalf President and COO

Operations



■ Overview

- *All businesses feeling effects of the downturn*
- *Aggressive cost reductions have had a positive impact*
- *Cost control efforts are ongoing; contingency plans in place*

■ Safety

- *Another excellent quarter*
- *Near-record performance*

- United States Gypsum Company
 - *Wallboard volumes down 38%, price up vs 2Q08*
 - *Operating loss reduced significantly*
 - *Safety, customer satisfaction, efficiency and quality all at near-record levels*
 - *Surfaces and Substrates product lines performed well*

- L&W Supply Corporation
 - *Steep decline in commercial construction had a significant impact*
 - *Volumes declined in all product categories*
 - *Cost control initiatives helped mitigate effects of lower demand*

- USG Interiors, Inc.
 - *Strong relative performance in a down market*
 - *Sales declined 20% and operating profit was down \$4 million vs 2Q08*
 - *Focus on cost reduction, efficiency and customer satisfaction*

- International
 - *Every market affected by downturn*
 - *Operating profit of \$6 million*

- Summary
 - *Efforts to resize the company reduce costs are having a positive impact*
 - *Market conditions considerably worse than last year*
 - *Making progress toward goal of restoring profitability*
 - *Focused on managing controllable factors*



Richard H. Fleming Executive VP and CFO

Financial Results



Q2 2009 Consolidated Financial Results

\$ Millions (except EPS)	2Q09	2Q08
Net sales	829	1,251
Cost of products sold	778	1,175
Gross profit	51	76
% of net sales	6.2%	6.1%
Operating loss	(40)	(39)
Net loss	(53)	(37)
Diluted EPS	(0.53)	(0.37)
Average diluted common shares (thousands)	99,213	99,071

USG Corporation

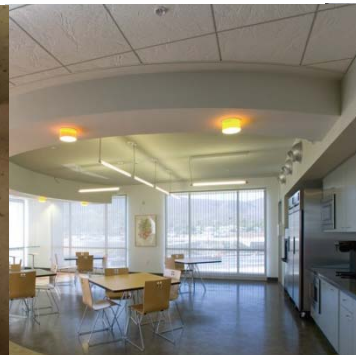
Other Consolidated Results



\$ Millions	2Q09	2Q08
SG&A	72	94
Restructuring and impairment charges	19	21
Interest expense	36	21
Capital expenditures	12	67

\$ Millions	6/30/09	12/31/08
Cash	302	471
Total debt	1,670	1,836

Questions?



William C. Foote Chairman and CEO

Closing Remarks

