

USG CORP  
Form FWP  
September 25, 2007

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September 24, 2007**

**USG CORPORATION  
Final Term Sheet  
September 24, 2007**

|                                     |   |
|-------------------------------------|---|
| Issuer:                             | USG Corporation   |
| Security:                           | 7.750% Senior Notes due 2018  |
| Size:                               | \$500,000,000.00  |
| Ratings:                            | Baa3 (Moody's) / BB+ (Standard & Poor's)  |
| Trade Date:                         | September 24, 2007  |
| Settlement Date:                    | September 27, 2007  |
| Maturity:                           | January 15, 2018  |
| Coupon (Interest Rate):             | 7.750%  |
| Interest Payment Dates:             | January 15 <sup>th</sup> and July 15 <sup>th</sup> of each year, beginning on January 15, 2008                    |
| Price to Public:                    | 99.752%   |
| Yield to Maturity:                  | 7.788%  |
| Benchmark Treasury:                 | UST 4.750% 08/15/2017   |
| Spread to Benchmark Treasury:       | T + 315 bps   |
| Benchmark Treasury Price and Yield: | 100-28; 4.638%  |
| Redemption Provision:               | Make Whole Call   |
| Make Whole Call:                    | T + 50 bps  |
| Joint Book-Running Managers:        | Banc of America Securities LLC<br>J.P. Morgan Securities Inc.   |
| Co-Managers:                        | ABN AMRO Incorporated<br>Citigroup Global Markets Inc.<br>Goldman, Sachs & Co.<br>Greenwich Capital Markets, Inc. |

**A securities rating is not a recommendation to buy, sell or hold these notes. Each rating may be subject to revision or withdrawal at any time, and should be evaluated independently of any other rating.**

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, Banc of America Securities LLC can arrange to send you the prospectus if you request it by calling or e-mailing Banc of America Securities LLC at (800) 294-1322 or [dg.prospectus\\_distribution@bofasecurities.com](mailto:dg.prospectus_distribution@bofasecurities.com) or calling J.P. Morgan Securities Inc. (collect) at (212) 834-4533.**