

USG CORP
Form 10-Q
April 24, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR
.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 1-8864

USG CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 36-3329400
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

550 West Adams Street, Chicago, Illinois 60661-3676
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code (312) 436-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the registrant's common stock outstanding as of March 31, 2013 was 108,503,117.

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PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
USG CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(millions, except per-share and share data)	Three months ended March		
	31, 2013	2012	
Net sales	\$814	\$783	
Cost of products sold	690	681	
Gross profit	124	102	
Selling and administrative expenses	73	76	
Restructuring charges	2	2	
Operating profit	49	24	
Interest expense	50	52	
Interest income	(1) (1)
Other expense, net	1	1	
Loss from continuing operations before income taxes	(1) (28)
Income tax (benefit) expense	(3) 1	
Income (loss) from continuing operations	2	(29)
Income from discontinued operations, net of tax	—	2	
Net income (loss)	\$2	\$(27)
Earnings per common share - basic:			
Income (loss) from continuing operations	\$0.02	\$(0.28)
Income from discontinued operations	—	0.02	
Net income (loss)	\$0.02	\$(0.26)
Earnings per common share - diluted:			
Income (loss) from continuing operations	\$0.02	\$(0.28)
Income from discontinued operations	—	0.02	
Net income (loss)	\$0.02	\$(0.26)
Average common shares	108,390,706	105,718,156	
Average diluted common shares	111,332,621	105,718,156	
See accompanying Notes to Consolidated Financial Statements.			

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USG CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(millions)	Three months ended March 31,	
	2013	2012
Net income (loss)	\$2	\$(27)
Other comprehensive income (loss), net of tax:		
Derivatives qualifying as cash flow hedges:		
Gain (loss) on derivatives qualifying as cash flow hedges, net of tax (benefit) of \$0 and \$(1), respectively	4	(5)
Less: Reclassification adjustment for gain (loss) on derivatives included in net income, net of tax (benefit) of \$(1) and \$(1), respectively	—	(3)
Net derivatives qualifying as cash flow hedges	4	(2)
Pension and postretirement benefits:		
Changes in pension and postretirement benefits, net of tax of \$1 and \$0, respectively	3	(2)
Less: Amortization of prior service cost included in net periodic pension cost, net of tax of \$0	(2)	—
Net pension and postretirement benefits	5	(2)
Foreign currency translation, net of tax of \$0 and \$0, respectively	—	22
Other comprehensive income, net of tax	9	18
Comprehensive income (loss)	\$11	\$(9)

See accompanying Notes to Consolidated Financial Statements.

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CONSOLIDATED BALANCE SHEETS

(millions)	March 31, 2013 (Unaudited)	December 31, 2012
Assets		
Current Assets:		
Cash and cash equivalents	\$395	\$546
Short-term marketable securities	99	106
Restricted cash	1	1
Receivables (net of reserves — \$16 and \$16)	397	326
Inventories	315	304
Income taxes receivable	3	2
Deferred income taxes	2	2
Other current assets	45	40
Total current assets	1,257	1,327
Long-term marketable securities		