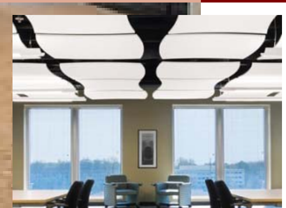
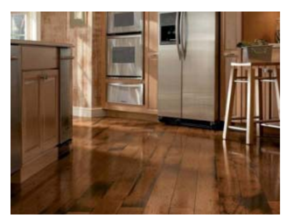
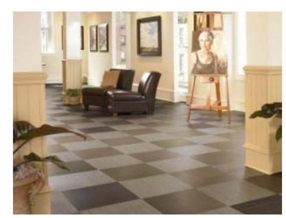
Armstrong World Industries

Investor Presentation

May 2, 2011


Safe Harbor Statement

This presentation contains "forward-looking statements" related to Armstrong World Industries, Inc.'s, future financial performance. Our results could differ materially from the results discussed in these forward-looking statements due to known and unknown risks and uncertainties. A more detailed discussion of the risks and uncertainties that may affect our ability to achieve the projected performance is included in the "Risk Factors" and "Management's Discussion and Analysis" sections of our recent reports on Forms 10-K and 10-Q filed with the SEC. We undertake no obligation to update any forward-looking statement beyond what is required by applicable securities law.

In addition, we will be referring to non-GAAP financial measures within the meaning of SEC Regulation G. A reconciliation of the differences between these measures with the most directly comparable financial measures calculated in accordance with GAAP is available on the Investor Relations page of our website at *www.armstrong.com*.

Company Overview

Armstrong at a Glance Year End 2010

Leading manufacturer of floors and ceilings for use in renovation and new construction. Significant U.S. cabinets' business.

- $2.8 billion in sales in 2010
  - #1 in businesses representing 80% of sales
- Serving global customers from eight countries
- 34 manufacturing locations (1)
- Approximately 9,800 employees (1)

- Approximately $2.5 billion market capitalization
  - Strong balance sheet - $550 million of net debt at 12/31/10
  - Significant NOL carry forward
- 58 million diluted shares outstanding
  - 300K average daily trading volume
  - 64% owned by Armstrong Asbestos Trust and Armor TPG
- 'AWI' on the NYSE
  - Since October 2006 emergence from asbestos-related bankruptcy

(1) At March 31, 2011 Armstrong operated 33 plants and had approximately 9,500 employees worldwide

History

1998 Sales Mix: Residential/Commercial was 65/35

2009 Sales Mix: Residential/Commercial was 40/60

Managing for Profitability

1998

Significant geographic and product line expansion:

- Hardwood floors
- Cabinets
- DLW (European flooring)

- **Expand revenue opportunities**

2001 - 2006

Asbestos-related bankruptcy

Manufacturing and overhead restructuring

Significant growth in Commercial products

- **Position company to deliver sustainable profitability**

2007

Strategic review and sale process in declining residential market:

- Improved product mix
- Increased manufacturing productivity
- Commercial volume growth

- **Deliver earnings growth**

2008 - 2010

Strategic focus in soft residential and declining commercial markets:

- Ensure innovation
- Align costs with changing environment

- **Ensure ongoing profitability and preserve cash**

AWI Key Strategies

1 Enhance the Core

- Maximize profits in global Floors and Ceilings
- Increase share and mix selectively

2 Expand the Core

- Drive growth in China and India
- Build ceilings and flooring plants in China
- Expand presence in Eastern Europe and Middle East

3 Drive Lower Costs

- $150 million cost savings program
- LEAN investment, SG&A reduction, procurement savings
- Restructure floor Europe

4 Innovation Leadership

- Environmental leadership
- Unmatched product portfolio

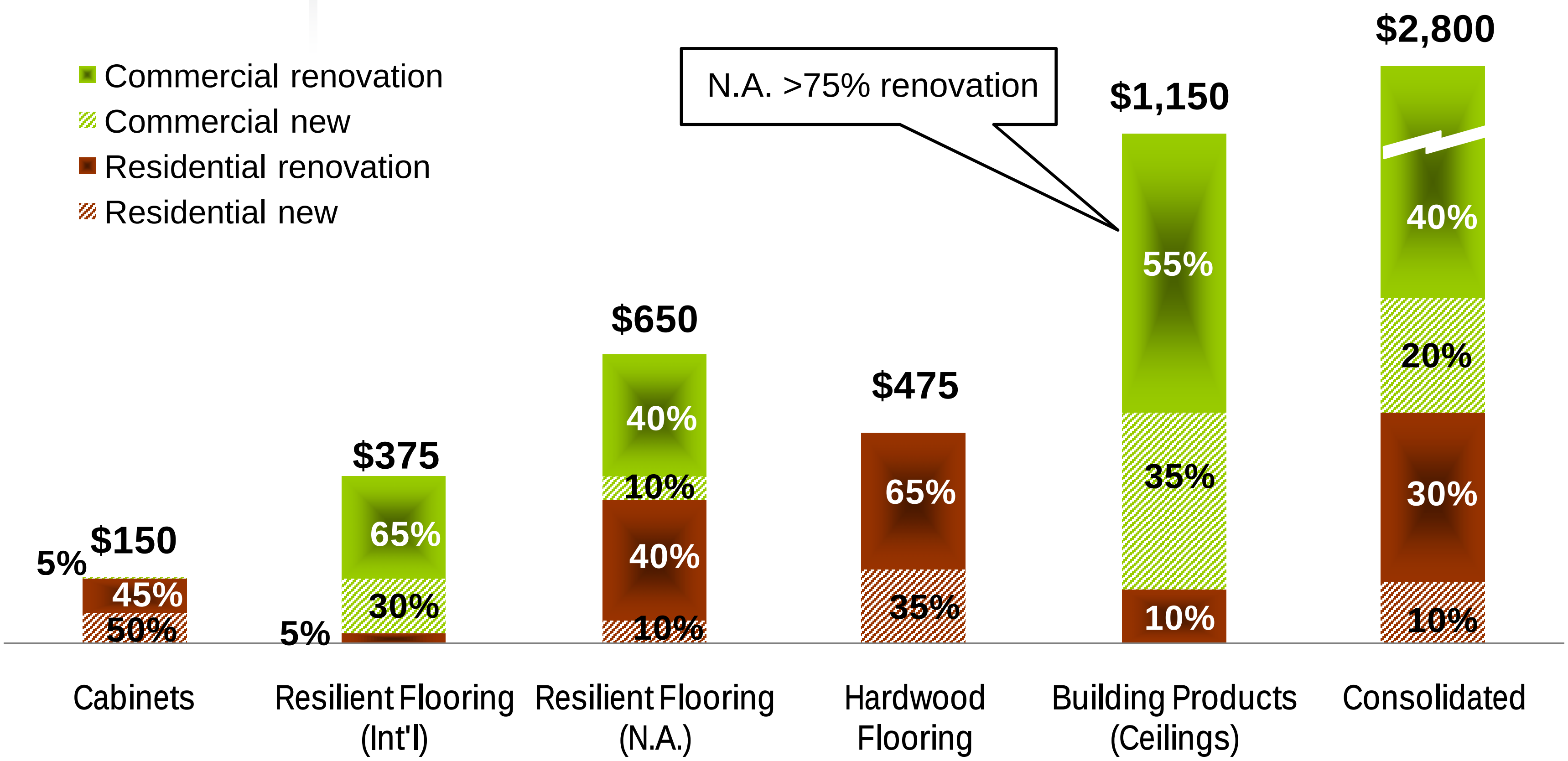
5 Organization Vitality

- Attract, retain and develop the best people in the industry
- Organizational processes aligned with strategic objectives

6 Efficient Balance Sheet

- Net debt less than 2x EBITDA
- No significant maturities until 2015
- Sufficient cash to make organic investments

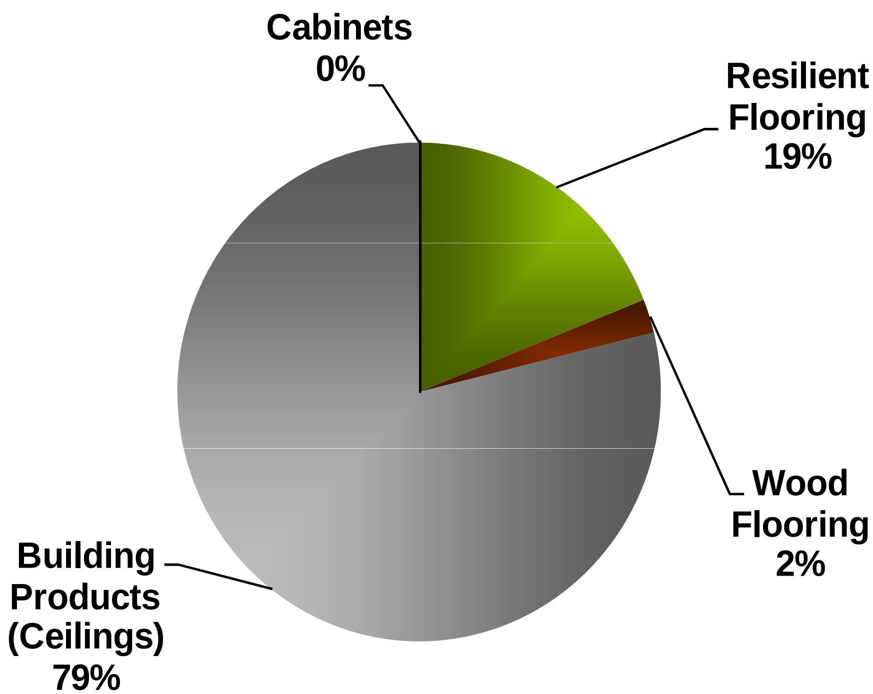
2010 Business Segment and End-Use Profile



Majority of business is renovation – dampens cycles.

Business Segment Profile

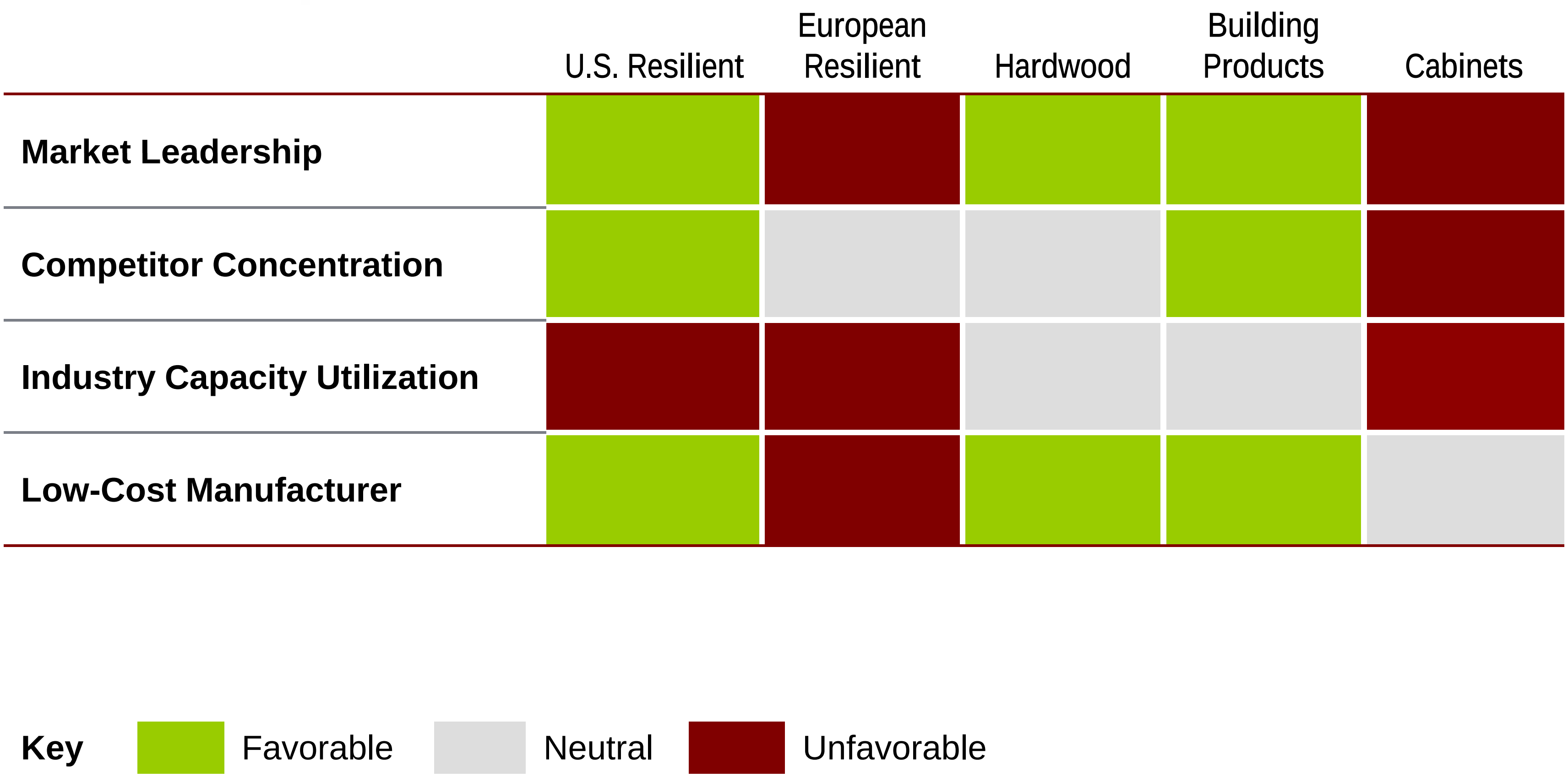
2010 EBITDA
Adjusted



– Excludes unallocated corporate expense

Building Products delivers the bulk of worldwide income and has remained profitable through the economic cycle.

Industry Structure/Competitive Position



Armstrong continuously focused on competitive dynamics.

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Business Segment Overview

Worldwide Business Overview – Building Products

North America

	Mkt Size (B ft^2)	AWI Rank
Commercial	1.4	1
Residential	0.4	1

Europe, Africa, Middle-East

	Mkt Size (B ft^2)	AWI Rank
Western	1.2	1
Eastern	0.5	1
Africa / Mid-East	0.3	1

Asia, Australia

	Mkt Size (B ft^2)	AWI Rank
China	0.2	1
Australia	0.04	1
India	0.05	1
SE Asia	0.08	1

Worldwide market leader in suspended ceilings.

ABP Key Strategies

1 Broadest Product Portfolio

- Complete product offering
- New product pipeline (Metal, Wood)
- Win versus soft fiber in Europe

2 Emerging Market Growth

- Plant #2 in China
- Distribution in Russia, Middle East
- Grid plant in India

3 Innovation Leadership

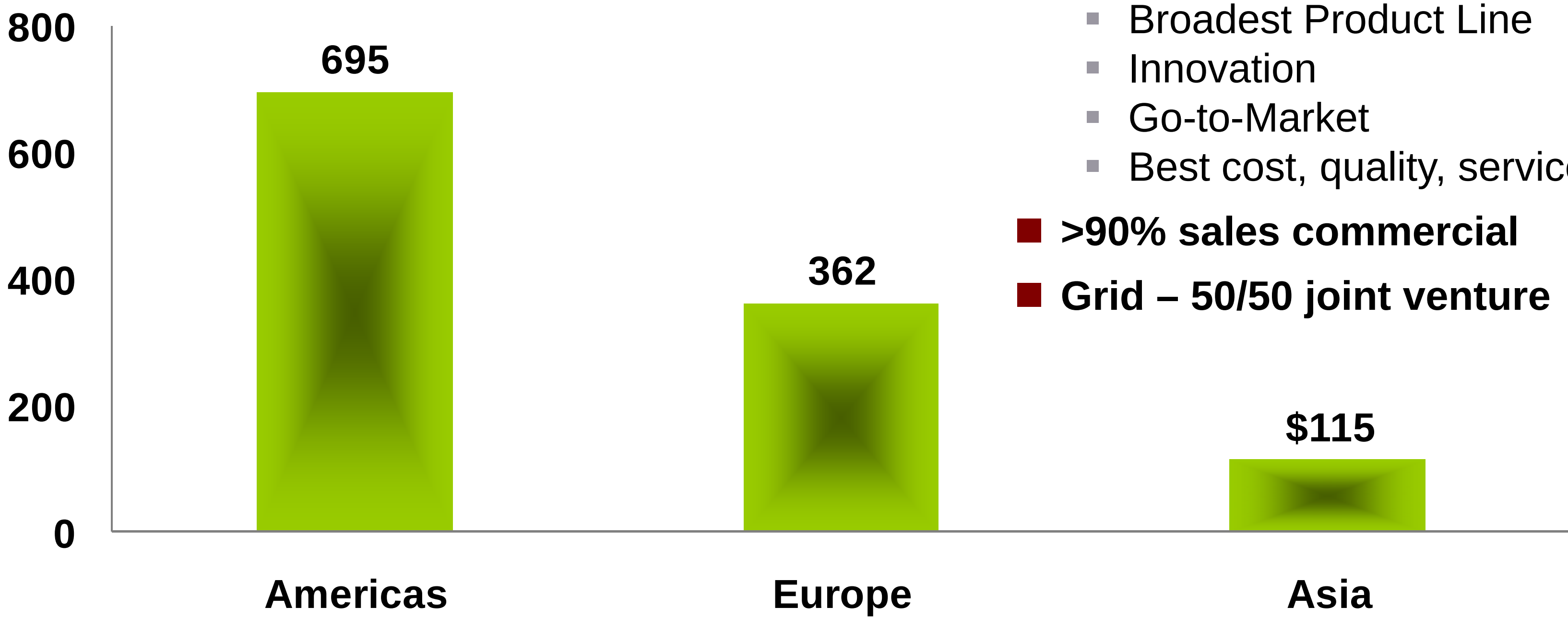
- “Sustainability” leadership
- Custom solutions (Metal, Wood)
- Recycling program

4 Best-in-Class Service/Quality

- Best on-time delivery performance
- Lowest claims rate
- Best product availability

Building Products (ABP) Sales by Geography

Ceilings & Grid
($-Millions)



- **Global market leader**
  - Broadest Product Line
  - Innovation
  - Go-to-Market
  - Best cost, quality, service
- **>90% sales commercial**
- **Grid – 50/50 joint venture**

Contribution of WAVE JV Profit to Operating Margin	4%
Worldwide EBITDA Margin	25%

New product development and manufacturing technology managed globally.

Worldwide Business Overview – Floor Products *

North America

	Mkt Size (B ft^2)	AWI Rank
Commercial	1.0	1
Residential	2.0	1
Wood	0.6	1

Europe, Africa, Middle-East

	Mkt Size (B ft^2)	AWI Rank
Central	0.3	1
Eastern / Africa / Mid-East	0.3	5
Western Europe	0.9	3-5

Asia, Australia

	Mkt Size (B ft^2)	AWI Rank
China	0.4	2
Australia	0.1	2
India	0.01	1
SE Asia	0.1	1

Global presence with market leadership in most regions.

* Market figures exclude segments in which we do not participate.

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AFP Key Strategies

1 Best Product Portfolio

- Offer broadest assortment
- Drive mix
- Quality leadership

2 Complete Market Coverage

- Brand leadership
- Merchandising presence
- Sales coverage effectiveness

3 Low-Cost Manufacturing

- Lean deployment
- Capability investment, e.g., glass, wood automation
- Rationalize footprint

4 Innovation Leadership

- Environmental solutions
- Design, performance, and installation

5 Drive China Growth

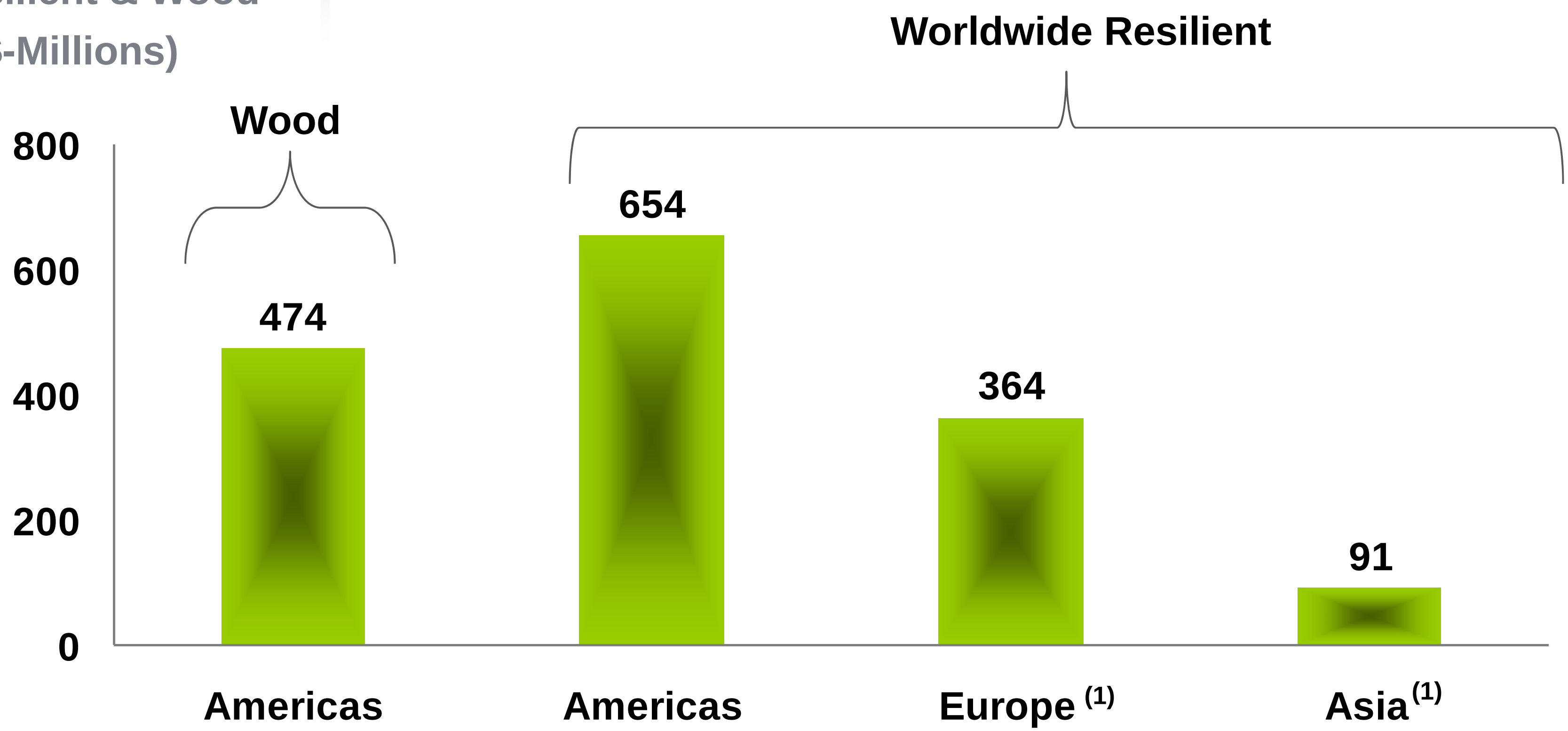
- Focus on market development
- Plant investments to support growth

6 Restructure Europe

- Exit Residential
- Simplify Commercial participation
- Cost-out … plant and SG&A

Floor Products (AFP) Sales by Geography

Resilient & Wood
($-Millions)

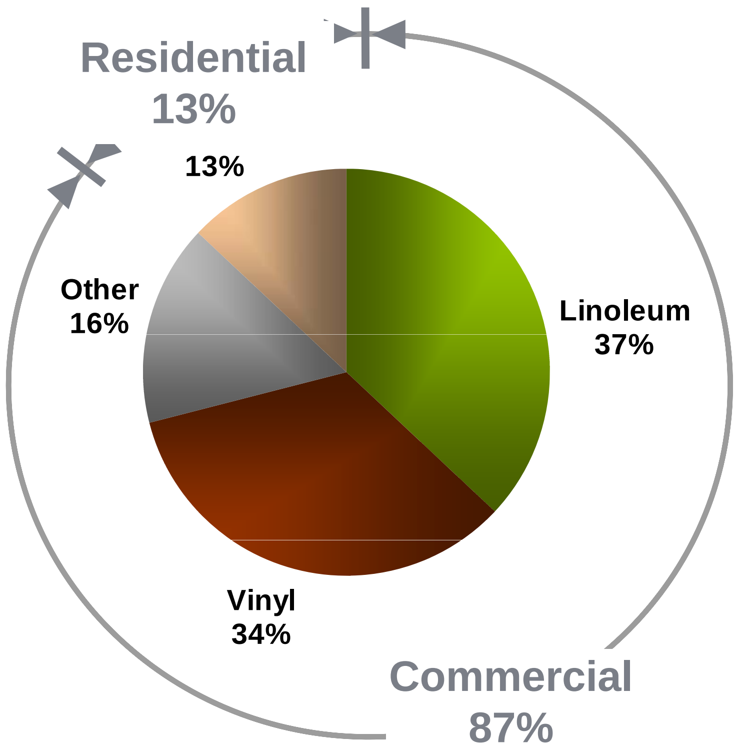


Worldwide Adjusted EBITDA Margin	5%
excluding Europe	7%

Continued profitability through bottom of residential downturn.

(1) Figures include inter-company sales

European Floor Products



	2010
Sales	$364M
Operating Loss[1]	$ 19M

[1] *Excludes restructuring expense*

Challenges

- Tough markets … Western Europe
- Scale disadvantage in manufacturing and SG&A
- Outdated manufacturing processes in all but linoleum

Solution

- Exited Residential segment
- Simplified Commercial business … country and product participation
- Close Teesside Plant (complete) and Holmsund (Q2, 2011)
- SG&A restructuring … 38% decrease in headcount

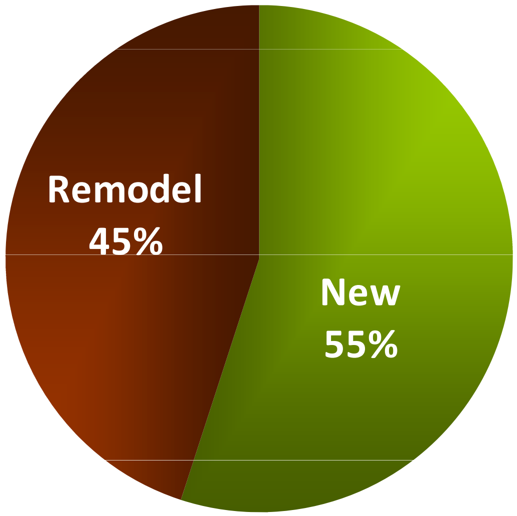
Committed to eliminating loss in 2011.

Current Situation

- Small player…<5% share
- Focus on small-/medium-size builder
- Go-to-Market

	% of Sales
Company-Owned Service Centers	51%
Distribution	27%
Multi-Family	22%

2010 Sales = $139M



Strategy

- Niche player… both new and remodel
- Restructure costs to reflect market reality
- Non-core business

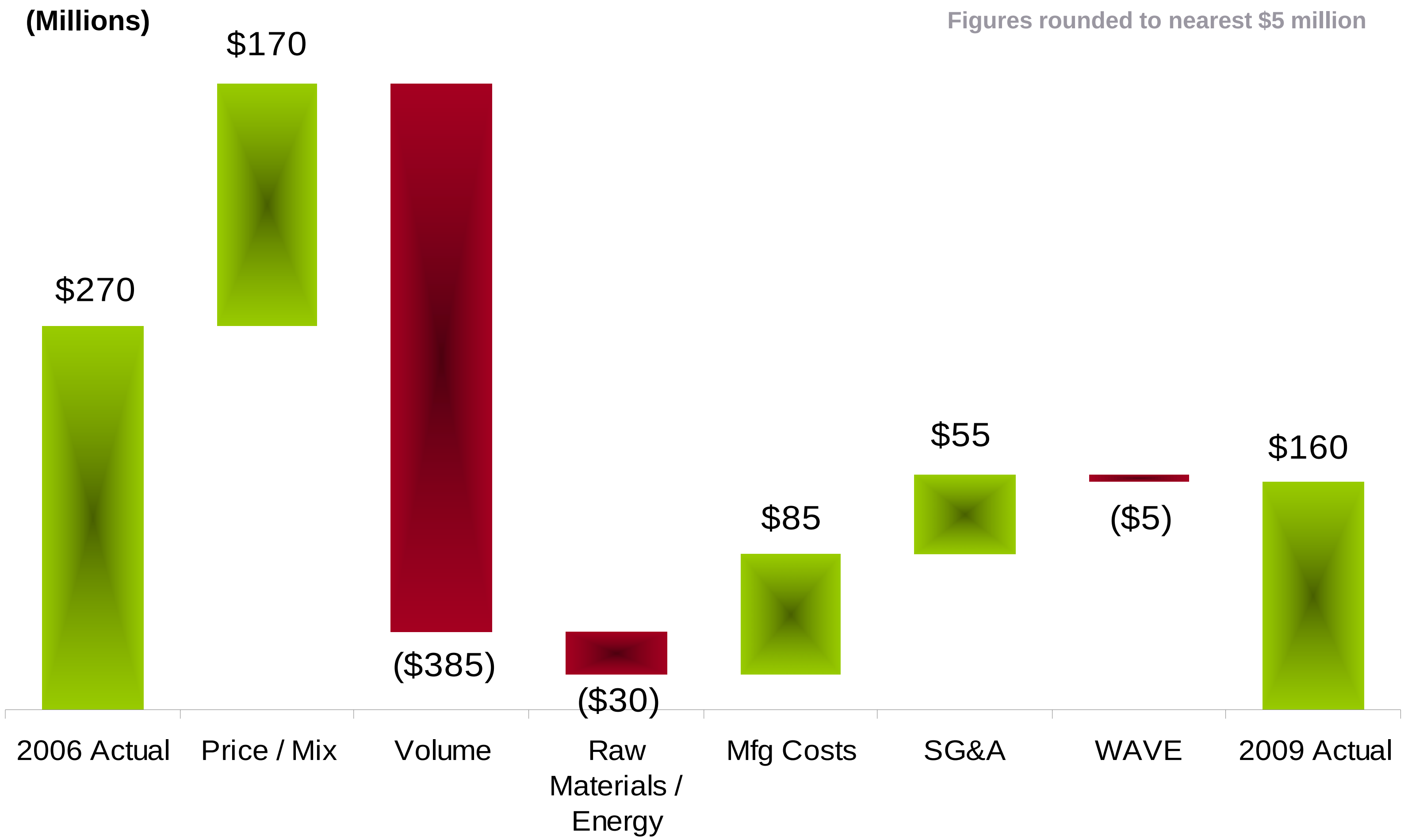
Financial Overview

Financial Summary

Profitable and cash flow positive through downturn

- Focus on cost control / productivity
- Strong free cash flow
- ROIC greater than cost of capital in 2013, with new home starts at one million
- Continuing to fully invest in businesses
- Strong balance sheet: leverage, liquidity and maturity profile
- Positioned for considerable operational leverage on modest market recovery

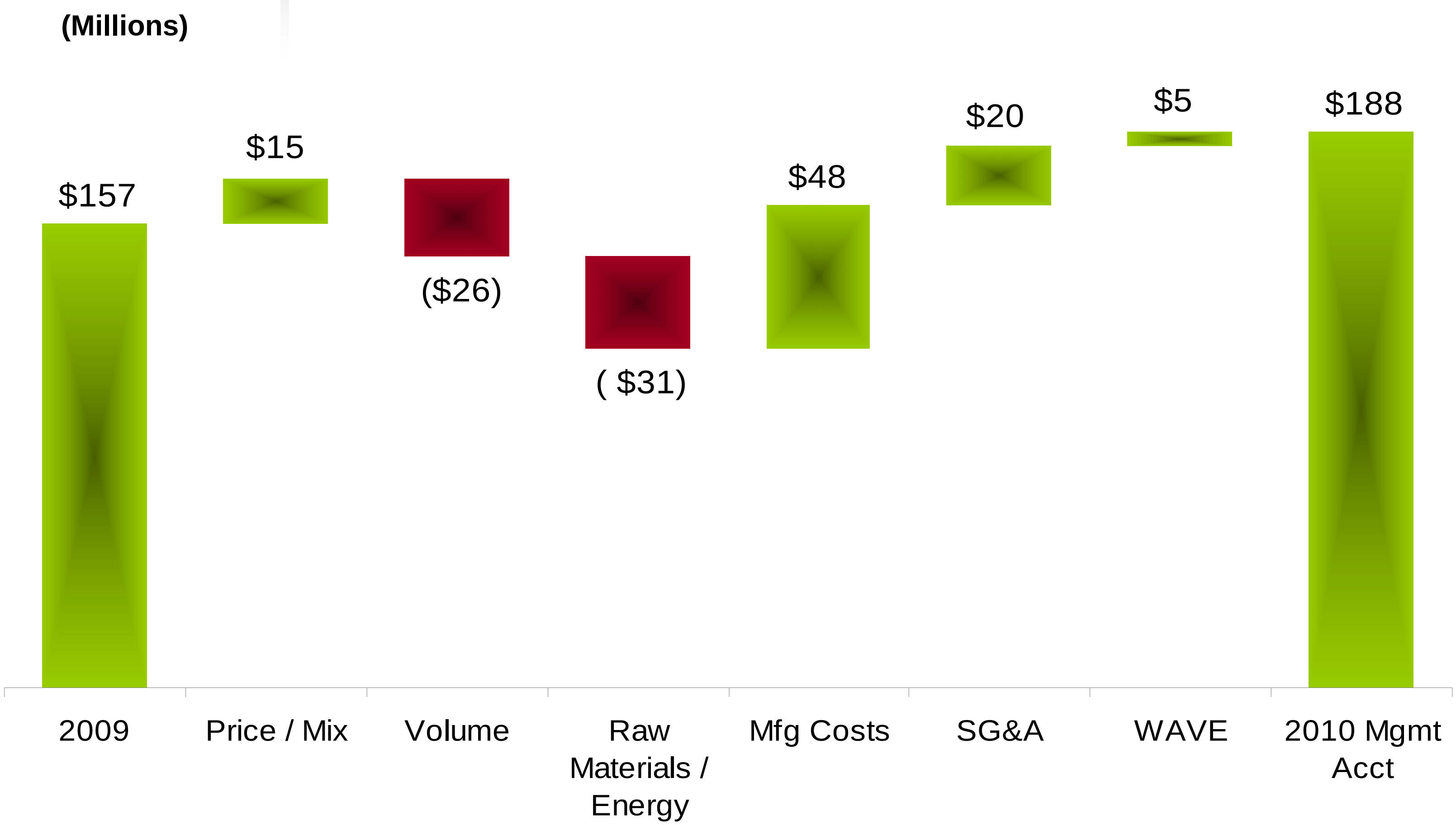
Operating Income Bridge (2006-2009)



Cost reduction and improved price / mix significantly offset dramatic volume declines.

Operating Income Bridge (2009-2010)

Figures rounded to nearest $1 million



Cost reduction offsets volume and input cost headwinds.

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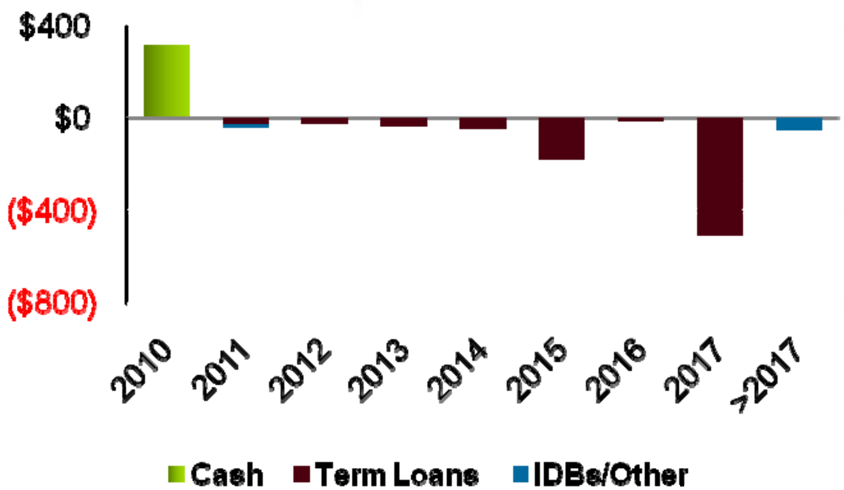
Balance Sheet

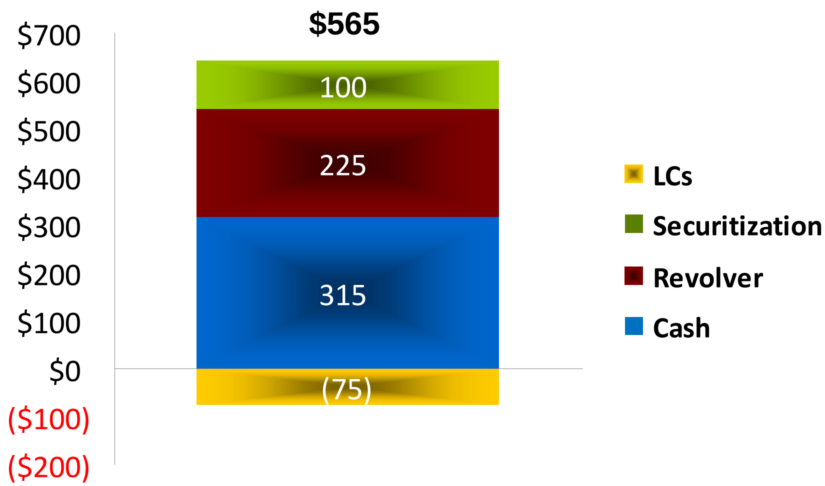
12/31/2010

(Millions)



Maturity Profile

- No significant maturities until 2015
- Considerable covenant flexibility



Liquidity

- Sufficient liquidity to manage operations, and execute capital spend and restructuring plans

Financial Overview Appendix

Key Metrics [1] – Guidance 2011

	2011 Estimate Range			2010	Variance		
Net Sales	2,800	to	3,000	2,766	1%	to	8%
Operating Income [2]	270	to	310	189	43%	to	64%
EBITDA	375	to	415	303	24%	to	37%
Earnings Per Share [3], [4]	$2.17	to	$2.57	$1.73	25%	to	49%
Free Cash Flow	80	to	120	180	(56%)	to	(33%)

(1) Figures exclude non-recurring items such as charges for cost reduction initiatives, restructuring, etc.
(2) As reported Operating Income: $240 - 280 million in 2011 and $81 million 2010.
(3) Earnings per share reflect an adjusted tax rate of 42% for both 2011 and 2010.
(4) As reported earnings per share: $1.83 - $2.25 in 2011 and $0.19 in 2010.

Guidance provided as of May 2, 2011.
We undertake no obligation to update guidance, beyond what is required by securities law.

2011 Financial Outlook

Raw Material & Energy Inflation	$40 - $50 million increase
Manufacturing Productivity	Gross Margin +125 to +225 bps vs. 2010
U.S. Pension Credit	~$25 million, down ~$25 million vs. 2010 *60% manufacturing, 40% SG&A*
Earnings from WAVE	$5 - $10 million vs. 2010
Cash Taxes/ETR	~$15 million. Adjusted ETR of 42%
Q2	Sales $740 – $790 million EBITDA $105 – $120 million
Capital Spending	~$180-$200 million
Exclusions from EBITDA	~$18 - 27 million associated with already announced actions

Full Year 2010 – Adjusted Operating Income to Reported Net Income

	2010	2009	V
Operating Income – Adjusted [1]	**$188**	**$157**	**$31**
Foreign Exchange Movements	2	-	2
Laminate Duty Refund	7	-	7
Cost Reduction Initiatives	(50)	(16)	(34)
Asset Impairments	(31)	(18)	(13)
Restructuring	(22)	-	(22)
Executive Transition	(15)	-	(15)
Gain on Settlement of Note Receivable	2	-	2
Accelerated Vesting	-	(32)	32
Operating Income – As Reported	**$81**	**$91**	**($10)**
Interest (Expense) Income	(14)	(16)	2
EBT	**$67**	**$75**	**($8)**
Tax (Expense) Benefit	(56)	3	(59)
Net Income	**$11**	**$78**	**($67)**

(1) Figures exclude non-recurring items such as charges for cost reduction initiatives, restructuring, etc. Figures also exclude the impact of foreign exchange movements.