SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1977 — Commission file number 1-1251

Johns-Manville Corporation

(Exact name of registrant as specified in its charter)

New York	13-0889660
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Ken-Caryl Ranch, Denver, Colorado (Address of principal executive offices)	80217 (Zip Code)

Registrant's telephone number, including area code 303-979-1000

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock ($2.50 par value)	New York Stock Exchange
7.85% Sinking Fund Debentures Due 2001	New York Stock Exchange

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 1931 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 X. No __.

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of the period covered by this report. 21,471,036 shares.

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Item 5. Legal Proceedings.

As of March 1, 1978, the Company was a defendant or co-defendant in 623 suits alleging damage to the health of persons exposed to asbestos and asbestos-containing products manufactured and sold by the Company and, in most cases, certain other defendants. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos fibers in dust originating from such products. The Company maintains that there was no basis for any warning until publication of scientific studies in 1964, following which appropriate warnings were given. Included within the 623 cases are seven multi-plaintiff cases, three of which are merely aggregations of 65 plaintiffs but otherwise indistinguishable from typical cases described above. The other four multi-plaintiff cases and two other groups of cases — indemnity and direct-employee actions — are described below.

In addition to these current cases, the Company has settled 94 cases. Of eight cases which have proceeded through trial, four were decided in favor of the plaintiff and the Company received jury verdicts in its favor in four cases. As all of these cases involve similar issues, the results in the settled and unsuccessfully tried cases may affect the disposition of current and future cases.

Multi-Plaintiff Cases. Each of the four multi-plaintiff cases mentioned above were filed in the United States District Court for the District of New Jersey, and consist of three cases brought by approximately 500 former employees of Raybestos-Manhattan Inc., and one case by four former employees of Owens-Corning Fiberglas Corporation, their spouses and all those similarly situated. In each of the three cases, the plaintiffs seek damages for various injuries or death claimed to have resulted from exposure to asbestos fiber sold to their employer by the Company and certain other defendants. Of the 500 plaintiffs in the Raybestos-Manhattan Inc. employees cases, 309 each seek $2,000,000 damages and the remainder each seek unspecified damages, while in the Owens-Corning Fiberglas case, each plaintiff seeks $4,000,000 damages. The Company believes it has substantial defenses to all such claims.

Indemnity Actions. In four cases, brought in Superior Court for Contra Costa County, California, the Company is a cross-defendant in actions by former employees of the Company against a former contract physician of the Company. The plaintiff's claim in each case is based on the alleged failure of the physician to advise that each had contracted a pulmonary disease associated with asbestos fiber. In each case, the physician has cross-complained against the Company seeking indemnity on the plaintiff's actions (each plaintiff seeks $2,000,000 damages) and asserting independent causes of action of $11,000,000 damages for breach of contract and misrepresentation. In one other case, also brought in the Superior Court for Contra Costa County, California, the former contract physician of the Company is seeking indemnity from a judgment rendered against him on a case brought by a former employee of the Company on substantially the same grounds as the four cases described above. The trial court has sustained the Company's demurrer to the indemnity actions. The Company believes that it has substantial defenses to all of these actions.

Direct Employee Actions. Included within the 623 cases are a series of cases brought directly against the Company by certain of its employees and former employees at several locations seeking damages for injuries claimed to result from exposure to asbestos fiber supplied by the Company. The cases consist of 14 cases (a total of 26 plaintiffs) arising out of the Company's Pittsburg, California plant with each plaintiff seeking $11,000,000 in damages; five cases (with 125 plaintiffs) arising out of the Company's Lompoc, California facility with each plaintiff seeking in excess of $11,000,000 in damages; one case (with 15 plaintiffs) arising out of the Company's Waukegan, Illinois facility with the plaintiffs seeking a total of $75,000,000 in damages; and one case (a purported class-action) arising out of the Company's Manville, New Jersey plants, with each plaintiff seeking $500,000,000 in damages. The plaintiff's claim in each case is based principally on the alleged failure of the Company to warn of the hazards associated with such fiber. To date, two similar cases have been disposed of by summary judgments granted in favor of the Company. The Company believes it has substantial defenses to all of these actions, including the defense that applicable workers compensation statutes provide the exclusive remedies to the plaintiffs.

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The Company believes that the preponderance of asbestos-related injuries complained of originated from exposure to concentrations of asbestos dust prevalent many years ago. During the periods of injurious exposure, the Company, government officials and medical and scientific authorities believed the dust levels to which asbestos insulation workers were exposed presented no appreciable hazard to the health of such workers. Since the publication of scientific studies in 1964 linking pulmonary disease in insulation workers to asbestos exposure, the Company has warned workers of the hazards of exposure and has instituted dust control and other safety measures in operations under the Company's control which will reduce or virtually eliminate the incidence of future injuries. The Occupational Safety and Health Administration has prescribed stringent controls and work practices in asbestos-realted occupations. Due to long latency periods encountered in the development of asbestos-related disease, new cases continue to arise. Such cases are believed by the Company to relate to eariler exposures.

* * *

Of the 102 asbestos health cases tried or settled, the average amount paid by or on behalf of the Company is less than $25,000. Only one case resulted in damages of more than $100,000 being assessed against the Company. As indicated herein, the Company believes it has substantial defenses to each of the above described claims. The Company further believes that any amounts that it may be obligated to pay as a result of the pending asbestos health cases will be adequately covered by applicable insurance. Thus any recovery by the plaintiffs will not materially adversely affect the earnings or financial position of the Company.

* * *

Dus pre '64 exposure - gov, medical & scientific believed dust presented no appreciable danger

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