/dl/CONT/CONT/12397/003/BANKCY/press.rls

No. 3

Draft 2 of 8/25/82

For immediate release
August 26, 1982

Contact: Curtis G. Linke
303-978-3255

MANVILLE FILES FOR REORGANIZATION

Denver, Co (August 26, 1982) -- Manville Corporation announced that it had filed for reorganization under Chapter 11 of the Federal Bankruptcy Code. The filing was made in United States Bankruptcy Court for the Southern District of New York at the opening of business on Thursday, August 26, 1982.

Manville's operations and cash flow have been strong even through the recession, and are expected to continue strong, a company spokesman said, but the filing was forced by the continuing burden of litigation costs relating to persons excessively exposed to asbestos.

In a statement on August 4, 1982, the board of directors of Manville announced that outside consultants had advised it that asbestos-health lawsuits, may continue unabated for the forseeable future. Over 16,500 such suits are pending against Manville or its subsidiaries and have been coming in at 500 new cases per month this year. The

Published by AsbestosClaims.Law
asbestosclaims.law/library/24164/1

August 4 announcement declared that a special committee of the board of directors would review and evaluate the study and that the cost of the continued high incidence of lawsuits could have a material adverse effect on Manville's consolidated financial position.

Based on the study the Company reported today that it was forecasting at least 32,000 or more new asbestos lawsuits in the future.

After reviewing the committee's report and recommendations and considering all available options, the Manville directors concluded that Chapter 11 was the best way to address the Company's dilemma over litigation.

The filing was made to preserve the Company's continuing operations, protect its assets, and achieve even-handed treatment of asbestos health lawsuits and the claims of lending institutions and trade creditors.

Current disposition costs of asbestos cases to Manville and its affiliates are averaging $40,000 per claim. This is sharply higher than in prior years and, the company said, the problem was made more acute due to continued Government refusal to accept responsibility for persons injured in shipyards during World War II and later, Congressional delays in dealing with the occupational disease com-

Published by AsbestosClaims.Law
asbestosclaims.law/library/24164/2

pensaton problem, and the failure of insurance companies to fulfill their obligations to Manville.

All further proceedings in pending lawsuits and the commencement of all new suits against Manville and its affiliates are automatically stopped by the Chapter 11 filing.

With regard to future operations, Manville expects to meet its new and ongoing obligations to suppliers of goods and services and customers while a plan of reorganization is being formulated. Employee paychecks and benefits will be unaffected and no employee will lose his or her job as a result of Chapter 11 a Manville spokesman forecast.

John A. McKinney, Manville Chief Executive, said, "Nothing is wrong with our businesses. Filing under Chapter 11 does not mean that the Company is going out of business or that its assets will be liquidated. Lawsuits are the problem. We will continue to manufacture and ship high quality products and provide the same services, as always."

Manville's consolidated assets are approximately $2.2 billion. Consolidated liabilities (excluding asbestos health and other product liability claims) approximate $1 billion.

Manville, a diversified mining, manufacturing, and

Published by AsbestosClaims.Law
asbestosclaims.law/library/24164/3

forest products company with approximately 25,000 employees, has a consolidated debt for borrowed money of approximately $600 million. Also outstanding are 4,600,000 shares of $5.40 cumulative preferred stock and approximately 24,000,000 shares of common stock. Consolidated sales of Manville for 1981 were $2 billion and were $1.1 billion for the first seven months of 1982.

Trading in the Company's stock was suspended by the New York Stock Exchange.

No Chapter 11 filings for affiliates outside North America were made, and no filings have been made in Canada.

North American affiliates filing reorganization petitions were:

Johns-Manville Corporation
Manville Building Materials Corporation
Manville Forest Products Corporation
Manville International Corporation
Manville Export Corporation
Manville Products Corporation
Johns-Manville Amiante Canada Inc.
Johns-Manville Canada Inc.
Johns-Manville International Corporation
Johns-Manville Sales Corporation
Manville International Canada, Inc.
Manville Canada, Inc.
Manville Investment Corporation
Manville Properties Corporation
Allan-Deane Corporation
Ken-Caryl Ranch Corporation
Manville Idaho Inc.
Manville Service Corporation
Manville Canada Service Inc.
Sunbelt Contractors, Inc.

Published by AsbestosClaims.Law
asbestosclaims.law/library/24164/4