ASBESTOS LITIGATION CHRONOLOGY

1968

August 21 Board Meeting: The Board is informed about a program recently undertaken by asbestos insulation manufacturers and others to study health problems of asbestos workers. As part of this program, the Board approves donation of $162,500 for purchase of an electron microscope and other equipment for environmental health studies to be undertaken by Dr. I. J. Selikoff at Mt. Sinai School of Medicine.*/

1969

January 15 Board Meeting: An updated status report on the asbestos/health situation is provided by the President.

February 19 Board Meeting: Plans to install additional dust control equipment at various plants are reviewed.**/

October 15 Board Meeting: The asbestos textile worker health problem and new interim exposure limits are discussed. There are indications that the present standard will probably be lowered from 12 fibers per cubic centimeter to 6 and then to 2 which was the current standard in the United Kingdom.

1970

April 15 Board Meeting: An updated status report on the asbestos health situation is presented. It now appears likely the asbestos exposure standard will be reduced from 12 to 5 fibers per cubic centimeter in 1970. Dr. Selikoff is recommending an even more stringent standard of 2. The Chair-

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*/ In 1964 Dr. Selikoff had published his landmark epidemiological study showing that prevailing asbestos standards were inadequate to protect insulation workers using or exposed to asbestos. The study represented the first criticism of the conclusion reached in 1938 by the United States Public Health Service when it recommended as "safe" an asbestos exposure level of 5 million particles per cubic foot. The same standard had been reaffirmed in a 1946 United States Government epidemiological study which showed shipyard exposure levels were generally below the 5 standard and concluded insulation work in shipyards was not a dangerous occupation. It was not until 1968 that the American Conference of Government Industrial Hygienists proposed a more restrictive asbestos exposure standard of 2 million particles per cubic foot or its equivalent of 12 fibers per cubic centimeter.

**/ In 1956 Manville had begun a three year program of installing negative pressure air handling systems in its asbestos plants. The design was used in subsequent new plants and provided to competitors and customers.

man reports that all asbestos fiber shipped in the United States and Canada carries a cautionary label.*/ The Chairman also advises that Manville is presently defending many lawsuit relating to asbestos health. In addition to the cost, any one of these suits may result in publicity about asbestos/ health related hazards. Sampling in New York had not shown any hazard but further sampling was planned to determine that there was no threat to the general public.

1972

January 26 Board Meeting: The Board is informed about and provided copies of the testimony of Manville representatives and medical consultants at EPA hearings on proposed asbestos standards.

February 23 Special Board Meeting: Board is informed Manville is making an assessment of possible environmental problems in the manufacture and sale of its products. Status of compliance of newly suggested exposure standard of 2 fibers per cubic centimeter is reviewed. Board informed that Manville is currently using 6 fibers as its standard and that present worker health problems are result of exposures of 30 years ago.

June 28 Special Board Meeting: Chairman reports that Manville can live with newly adopted OSHA standard of 5 fibers per cubic centimeter, although complaince with future standard of 2 has not been determined. OSHA labeling regulations and recent press reports were discussed.

1973

September 10 United States Court of Appeals for the Fifth Circuit affirms insulation worker's product liability judgment against Manville and others in the Borel case. This is the first suit to reach an appellate court. Manville's ultimate liability in the case is $10,000.

1974

March Manville files its Form 10-K with the SEC. The 10-K contains the first public disclosure of the asbestos

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*/ Starting in 1964, in response to Dr. Selikoff's published findings, Manville immediately undertook a voluntary labeling program for asbestos-containing thermal insulation products. The United States Government waited until July 1972 before its first standard for cautionary labeling became effective.

litigation. It mentions that the company is defendant in 29 cases, but states adequate legal defenses exist and that the claims are covered by insurance. It concludes that the asbestos health litigation will have no material adverse effect on the company's financial condition.

March 4 Board Meeting: Mr. May requests information about Manville's compliance with Occupational Health & Safety Act ("OSHA") regulations.

April 10 Board Meeting: The President reviews Manville's compliance with OSHA regulations.

1975

March Manville's Form 10-K is filed with the SEC. It updates the earlier disclosures regarding the number of suits. The Company is defendant in 57 cases alleging failure to warn of hazards of inhalation of asbestos dust. The company maintains that no basis for any warning existed until publication of scientific studies in 1964 after which appropriate warnings were given. The report concludes that the litigation will have no material adverse effect on the company.

1976

March Manville's Form 10-K is filed with the SEC. Now the company is defendant in 124 cases. Again substantial defenses to the cases are said to exist. Safety measures adopted since 1964 are expected to reduce the incidence of future injuries. The company has adequate insurance to cover the claims. The litigation is not expected to have a material adverse effect on the company.

May 3 Manville's Form S-7, covering registration of 2.5 million shares, is filed with the SEC. The number of suits has increased to 136. Other disclosures are similar to the March 1976 10-K.

1977

January The Herrmanns, Denver Court plaintiffs, purchase 100 shares of Manville common stock.

March Manville's Form 10-K is filed with the SEC. Now the company is defendant in 271 cases, of which 4 are multi-plaintiff cases involving claims by approximately 500 individuals. Five cases have been tried, 4 of which resulted in verdicts for the plaintiffs. The average amount paid in cases tried or settled to date is less than $50,000 per case. Adequate insurance exists to cover the cases. The litigation is expected to have no material adverse effect on the company.

March 4 Board Meeting: The President reports a health survey at one plant indicates no asbestos disease among workers exposed up to 15 years.*/ The result of a Selikoff study and other favorable developments in the asbestos-health field are reported.

1978

March Manville's Form 10-K is filed with the SEC. Now the company is defendant in 623 suits. 94 cases have been settled to date. Eight cases have been tried, 4 of which resulted in verdicts for the company. The average amount paid in cases tried or settled is less than $25,000 per case. Due to the long latency period in development of asbestos-related disease, new cases are expected to relate to pre-1964 exposure. The company has substantial defenses to the pending cases and adequate insurance. The litigation is expected to have no material adverse effect on the company.

April 7 Board Meeting: Presentation by legal department of asbestos cases.

May 5 Board Meeting: The asbestos health situation is discussed.

July 7 Board Meeting: Dr. Kotin reviews Dr. Selikoff's work. Following adjournment, the Board meets with Dr. Selikoff at Mt. Sinai Hospital to hear his current assessment of the asbestos health problem.

October 6 Board Meeting: Mr. McKinney advises the Board that Manville is meeting the present standard of 2 fibers per cubic centimeter which is a safe level of exposure in Dr. Kotin's opinion and that future asbestos-related disease is not being generated.

November 3 Board Meeting: Mr. McKinney reports that a class action suit was recently filed on behalf of certain shipyard workers.

1979

March Manville's Form 10-K is filed with the SEC. Now the company is defendant in 1370 cases, including 7 class actions. For the first time several hundred cases seeking punitive damages are mentioned. Eleven cases have been tried, 5 of which were decided for plaintiff. 290 cases have been

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*/ In 1976, OSHA had lowered the asbestos exposure limit from 5 to 2 fibers per cubic centimeter.

tried and settled to date at an average cost of less than $22,000 per case. There has been a slight upward trend in average disposition per case costs in 1978. The company has substantial defenses to the cases and insurance coverage is adequate for the pending cases with possible exception of some punitive damage claims. It is stated that punitive damage claims will not be substantial.

March Annual Report for 1978 contains first reference to asbestos/health litigation. The footnote disclosure of the asbestos cases, like all subsequent Annual Report disclosures, summarizes the key points mentioned in the 10-K for that year.

March 2 Board Meeting: Mr. McKinney reports on legislative efforts to deal with asbestos health liability. There is a discussion of allegations of conspiracy to cover up knowledge of asbestos-related disease and a review of studies undertaken and published by Manville.

April 6 Board Meeting: Mr. McKinney reports on a defendant's verdict in an asbestos health case in Ohio and continuing efforts to achieve a legislative solution.

April 20 Manville's Form S-7 is filed with the SEC for registration of $100 million Notes. Disclosure is same as in March 1979 10-K.

May 3 Board Meeting: Mr. McKinney reported on reaction to the asbestos section of the Annual Report and recent Congressional hearings.

May 9 Manville's Amendment No. 1 to S-7 is filed with the SEC. Disclosure is made of the Abrams case, filed on May 4, alleging misleading statements in recent SEC filings concerning the financial impact of the asbestos health litigation. Refusal of the court to certify a class of Long Beach Naval Shipyard workers is reported. The action of a House committee to establish a $330 million federal program to remove asbestos from schools and its direction to the Justice Department to investigate recovery of such costs from the asbestos industry is disclosed.

June 1 Board Meeting: Mr. McKinney reports to the Board on the Abrams case.

June 29 Board Meeting: Mr. McKinney reports on status of asbestos health compensation legislation.

August 2 Board Meeting: Legal Department makes presentation of asbestos litigation.

December 7 Board Meeting: Mr. McKinney reports on asbestos health legislation.

1980

March Manville's Form 10-K is filed with the SEC. Again the litigation statistics are updated. The company is defendant in 2857 cases brought by approximately 4000 plaintiffs. 540 suits have been disposed of by trial or settlement at a cost of less than $15,000 per case. Substantial defenses are said to exist as to all claims. Insurance coverage is adequate except for some punitive damage claims, which, if any, won't be material.

July 31 Board Meeting: Mr. VonWald makes presentation on the asbestos health litigation.

1981

February 4 Manville's financial statement is qualified by Coopers & Lybrand due to the asbestos health litigation.

March Manville's Form 10-K is filed with the SEC. The company is now defendant in 5800 cases brought by 10,200 plaintiffs. During 1980, the number of new cases per month has increased significantly. During 1980, 402 claims were disposed of at an average cost of $23,300 per claim. This is higher than the 1980 cost of $13,000 per claim. The company has substantial defenses, however, the growth in the number of claims and the rise in the level of disposition costs has increased uncertainty about the litigation. The eventual outcome of the litigation can't be predicted and the ultimate liability, after insurance, can't be estimated with any degree of reliability. Litigation costs to the company could be substantial.

March 1980 Annual Report is issued. Mr. McKinney's shareholder letter states the company continues to be optimistic about its ability to deal with the asbestos/health lawsuits, and that costs associated with asbestos/health litigation will not have a material effect on the Company's liquidity during the next few years, if ever. The report recites that because of litigation uncertainties, cost to the company could be substantial. Also, because ultimate liability of the company after application of available insurance can't be reliably estimated, no reasonable estimate of loss can be made and no liability has been recorded on the financial statement.

March 5 Audit Committee: Manville accounting and legal personnel review reasons for and probable impact of qualification of Coopers & Lybrand's report.

March 6 Board Meeting: Mr. McKinney reviews status of asbestos litigation and reports on a meeting with Dr. Selikoff.

July 31 Board Meeting: Mr. VonWald reviews asbestos litigation, applicable insurance coverage and the company's ability to meet those liabilities.

September 9 Proxy materials relating to proposed reorganization of Manville are filed with the SEC. Mr. McKinney's shareholder letter states intent of reorganization is to separate various businesses of the company and to increase recognition and public understanding of various businesses in which the company is engaged.

October 29 Shareholders approve creation of Manville Corporation and restructuring of business into 5 subsidiaries.

1982

February 5 Board Meeting: Mr. McKinney describes the status of asbestos health and insurance company litigation.

March Manville's Form 10-K is filed with the SEC. Now the company is defendant in 9300 cases brought by 12,800 plaintiffs. In 1981 there were 400 new cases filed per month, a significant increase over 1979 and 1980. During 1981, 802 cases were disposed of at $15,430 per claim, excluding legal fees. During 1981, for the first time the company was found liable for punitive damages. The company believes it has substantial grounds for appeal in each of the 5 cases where punitive damages were awarded. Uncertainty continues whether significant punitive damages will be assessed in the future. The eventual outcome and disposition costs of the asbestos cases can't be predicted, nor can the company's ultimate liability be reasonably determined. The costs of these cases could be substantial.

March 5 Board Meeting: Mr. McKinney advises the Board on the status of insurance litigation.

August 4 Board Meeting: Mr. Parker reports on the asbestos health litigation, public disclosure of the litigation, and projections of the incidence of asbestos-related disease. Mr. VonWald reports on the formation and operation of the Litigation Analysis Group ("LAG"), the status of insurance coverage and asbestos litigation expense. Mr. McKinney advises the Board about the conclusions reached by the consultants that LAG had retained. A Special Board Committee is created to review the consultants' reports and report to the full Board on the potential future impact on Manville of the pending and anticipated cases. A press release is issued stating Special Committee will study financial options available to company.

August 16-18, 23-25 The Special Committee on Asbestos Litigation holds meetings and prepares its report recommending filing of Chapter 11.

August 25 Board Meeting: The report of the Special Board Committee is distributed and filing of the Chapter 11 petition is authorized. A press release is issued discussing the Board's action and the reasons for its decision.

August 26 Manville files its Chapter 11 petition.

September 8 Herrmann complaint is filed in Denver federal court.

August 21, 1968

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 11th floor at No. 22 East 40th Street, New York City, on Wednesday, the 21st day of August, 1968, at 9:00 in the forenoon.

* * *

The President's Report further informed the meeting that recently a program was undertaken to bring together manufacturers, independent contractors and applicators (Asbestos Workers Union) in the insulation field with certain medical and health leaders to establish and finance a program to study the many aspects of the health problems of asbestos workers and those engaged in the manufacture and handling of insulation materials, especially those containing asbestos. The diverse interests of asbestos fibre producers, manufacturers, contractors, workers and medical men were such that no workable agreement could be reached. Management recognized, probably more so than the company's competitors in the insulation field, the potential hazards and believed much could be done to improve the production, handling and application of insulation products.

With the failure of the large group to move toward a common objective, a program had been developed and an advisory group established consisting of A. E. Hutchinson, President of the Asbestos Workers Union; Dr. F. L. Pundsack, Director of Division and Corporate Research for J-M; J. B. Jobe, Vice President for Industrial Divisions; Dr. George Wright, Medical Consultant for J-M; and Dr. I. J. Selikoff, Mount Sinai School of Medicine. This group, in conjunction with the scientists at Mount Sinai School of Medicine, would undertake the more important work that management, with advice from the company's Medical Consultant, felt should be done. The program would be financed by the Johns-Manville Fund and the Asbestos Workers Union. To start the program the Johns-Manville Fund would provide Mount Sinai School of Medicine with the equipment required for environmental health studies costing $112,500 and make a contribution of $50,000 to provide space, supplies, etc. The Asbestos Workers Union would contribute $150,000 to $180,000 to the program. Additional funds would be required later and this would be worked out with Mount Sinai School of Medicine and the Asbestos Workers Union. It was expected that other companies would become interested once the program got under way and that much of the funds would be derived from the Asbestos Workers Union through an assessment for each hour worked, which would be passed along to the contractor. (1¢ per hour would generate more than $250,000 yearly.)

To enable the Johns-Manville Fund to start this program, it was proposed that Johns-Manville Corporation make a contribution of $162,500 to the Johns-Manville Fund, Inc.

* * *

1969

Published by AsbestosClaims.Law
asbestosclaims.law/library/24167/10

January 15, 1969

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 11th floor at No. 22 East 40th Street, New York City, on Wednesday, the 15th day of January, 1969, at 9:00 in the forenoon.

* * *

The Board was informed by the President's Report that at the January 17, 1968 meeting a report had been presented, giving the status of the asbestos/health situation. For information purposes, an updated report (blue folder) reflecting developments since that time was included in the agenda book and also had been sent to the Directors in advance of the meeting.

* * *

February 19, 1969

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 11th floor at No. 22 East 40th Street, New York City, on Wednesday, the 19th day of February, 1969, at 9:00 in the forenoon.

* * *

The President, in his report, also informed the meeting that the Toronto Plant's present TRANSITE Pipe wet end dust collector was installed in 1953, replacing the collector installed when the plant was built in 1947. The collector was no longer capable of maintaining the required dust-free conditions recently proposed by the Division of Occupational Health, U. S. Public Health Service, nor the more stringent limits now deemed necessary by Johns-Manville. The problem was aggravated at Toronto by a recirculating positive air pressure fibre handling system.

The officers of Canadian Johns-Manville Company, Limited, proposed to replace the present Toronto equipment with a negative pressure dust control system and a negative pressure fibre handling system at a cost of $535,000. The proposed system was patterned after the facilities installed at the Marrero Pipe Plant which were satisfactory. Pipe plants in the United States had all been equipped with negative pressure fibre handling systems and complied with the dust limit requirements.

After discussion, it was the consensus that the proposed expenditure of $535,000 by Canadian Johns-Manville Company, Limited, was justified and it was recommended that the officers of the subsidiary proceed in accordance with their plan.

* * *

October 15, 1969

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 4th floor at No. 22 East 40th Street, New York City, on Wednesday, the 15th day of October, 1969, at 9:00 in the forenoon.

* * *

There was recognized in the asbestos textile field a textile worker health problem. The present Threshold Limit Value standard was 35 fibers per cubic centimeter. This standard was being revised to an interim level of 12 fibers per c.c., and there were indications that the TLV standard would probably subsequently be lowered to 6 and then to 2 fibers per c.c. (the present standard in the United Kingdom). Operations at Marshville had not been profitable and there was a need to modernize the equipment were Johns-Manville to remain in business at the location. Additionally, to meet the more exacting standards for the protection of the health of the workers, expenditures totaling about $1,000,000 would be necessary for environmental control purposes.

* * *

1970

Published by AsbestosClaims.Law
asbestosclaims.law/library/24167/13

April 15, 1970

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 4th floor at No. 22 East 40th Street, New York City, on Wednesday, the 15th day of April, 1970, at 9:00 in the forenoon.

* * *

The Chairman reminded the meeting that at the Board meeting on January 15, 1969 a report had been presented giving the status of the asbestos/health situation. The fourth such report to the Board was sent to the members in advance of the meeting. The Chairman pointed out to the Board that the Threshold Limit Value, or standard of allowable dust in asbestos mining, milling and manufacturing operations in the United States, was revised in 1968 from 5 million particles per cubic foot of air to 2 million particles per cubic foot, or 12 fibers (over 5 microns in lenght) per cubic centimeter. He stated that it appeared highly likely that the standard would be reduced even further in 1970 to 5 fibers per cubic centimeter. Dr. Irving Selikoff was recommending 2 fibers per cubic centimeter. There was also the possibility that the definition of what is a fiber would be redefined which would make compliance more difficult. He also noted that all asbestos fiber bags shipped in the United States and Canada now carried a caution label urging careful handling of the fiber to avoid unnecessary exposure to asbestos dust. The addition of caution labels to overseas shipments had aroused customer opposition and had not been accomplished so far.

He also noted for the Board that J-M was presently defending a number of law suits relating to asbestos/health. In addition to the potential cost, any one of these suits might trigger publicity about asbestos/health related hazards. He explained to the Board that strong sampling in New York had not shown any hazard to the general public but that further sampling would be secured in the United States and at plant locations in an effort to determine that there was no threat to the general public. Mr. Burnett further commented on the tests that had revealed the infinitesimal fiber concentration in municipal water samples and commented on the Transite pipe test loop experiments being run at Research Center. He further commented on the beer contamination studies also being conducted at the Research Center. The Chairman invited the Board's attention to pages 1 and 2 of Appendix B of the Report and commented on the potential liability of Workmen's Compensation claims, most of which had resulted from extensive mass filings at the Manville Plant, and an increase of Workmen's Compensation statutory benefits in most of the states in which J-M operated.

* * *

January 26, 1972

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 4th floor at No. 22 East 40th Street, New York City, on Wednesday, the 26th day of January, 1972, at 9:00 in the forenoon.

* * *

The Chairman informed the meeting of the testimony of Messrs. Jobe, Pundsack, Fenner, Dr. George W. Wright and Dr. J. C. McDonald at the EPA hearings on proposed emission control standards for asbestos held in New York on January 18, 1972. At the request of the Board, the Secretary was instructed to send copies of the testimony to each member of the Board of Directors.

* * *

The Scientific Relations Committee had prepared testimony regarding the proposed EPA regulations for asbestos fibre. Written statements were delivered to Washington on January 7; verbal presentations were made at the public hearings in New York on January 18. The Secretary of Labor had announced hearings on March 14 in Washington to consider a permanent TLV for asbestos. Johns-Manville representation on the Advisory Committee was being sought.

* * *

February 23, 1972

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation in the Board Room on the 11th floor at No. 22 East 40th Street, New York City, on Wednesday, the 23rd day of February, 1972, at 1:00 in the afternoon.

* * *

At the request of the Chairman, J. B. Jobe informed the meeting that an assessment was being made as to all the lines of products the Company might have environmental problems with in their manufacture and sale. He also reviewed for the meeting the status of the newly suggested standards of two fibers per c.c., and the activities and regulations being promulgated by the Environmental Protection Agency and the Department of Labor. He informed the meeting that EPA was interested in the emission control of plants and mines processing asbestos, whereas the Department of Labor was interested in the health hazards of asbestos users' safety. Mr. Jobe reviewed J-M's position in its plants and mines and commented on its ability to comply with the regulations about to be promulgated. He informed the meeting that the Corporation now uses six fibers per c.c. as its standard, but that

February 23, 1972 (cont.)

individual health problems arising today, were a result of exposures of 30 years ago. He then reviewed for the meeting NIOSH's (National Institute of Safety and Health) position in recommending two fibers per c.c. as a safe standard. He noted that hearings on the standard of two fibers per c.c. would be held on March 14th. Mr. Jobe advised the meeting that J-M would appear at these hearings and, in addition to representing itself, would present its views not only for the Corporation but for other people in the industry. These would be small users and processors of asbestos who would be unable to comply with these standards and would be forced out of business. It was the opinion of the Board that assistance should be given to the J-M representatives who would make the presentation to the proper governmental authorities, in order that the tragic economic impact of the adoption of these standards would not be overlooked. It was also suggested that Congressmen who represent districts in which asbestos plants and mines were located might be contacted in an effort to point out the economic impact.

* * *

June 28, 1972

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the offices of the Corporation on the 4th floor at No. 22 East 40th Street, New York City, on Wednesday, the 28th day of June, 1972 at 10:30 in the forenoon.

* * *

The Chairman reported to the Board the situation with reference to the OSHA regulations which recently went into effect. He pointed out that the asbestos fiber count of five fibers per cc in J-M plants was one that the Corporation could live with. When the count was reduced to two after four years, it was a question, the answer of which had not been determined. It was J-M's intention to assist our customers in achieving dust control in their plants to comply with the OSHA regulations. The meeting was informed by the Chairman of the contents of a number of newspaper articles which were largely incorrect and misleading to the public.

* * *

June 28, 1972 (cont.)

He informed the Board that in an article on asbestos in The Wall Street Journal issue of June 8th, the facts were so distorted that for the first time J-M wrote to the paper and asked for a retraction and correction of the facts appearing in the article. He also noted that the OSHA regulations were broad and extensive in their scope. He informed the Directors that he was requiring Johns-Manville management personnel to know the OSHA regulations so that they would be in a position to report infractions whenever they were observed. He called attention to the June 7th press release which had stated the Johns-Manville position. Mr. Jobe commented that the labeling regulations which were originally part of the OSHA regulations were extremely bad and would have had a severe impact on asbestos manufacturing in the United States, but fortunately had been withdrawn by OSHA authorities.

* * *

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, 1973

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.)
Greenwood Plaza, Denver, Colorado (Address of principal executive offices)	80217 (Zip Code)

Registrant's telephone number, including area code 303-770-1000

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

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 X No ___.

* * *

The Company is also a defendant or co-defendant in a number of legal actions involving alleged health claims relating to the production and sale of asbestos-containing products. The Company believes that actions involving employees and former employees of the Company are adequately covered by applicable workmen's compensation laws in the United States and Canada. As of December 31, 1973, the Company was a defendant or co-defendant in 24 lawsuits involving alleged health claims relating to asbestos which do not involve employees or former employees. Subsequent to December 31, 1973, five additional cases have been filed and one of the prior cases has been settled. The Company believes that it has adequate legal defenses and insurance coverage respecting each of these actions and does not anticipate that they will have a material adverse effect on the Company's earnings or financial position.

* * *

March 1, 1974

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the 4th floor of The Chase Manhattan Bank, 410 Park Avenue, New York, New York, on Friday, March 1, 1974 at 9:00 A.M. pursuant to due notice.

* * *

Other Matters

* * *

B. William F. May requested information regarding compliance by the Corporation with applicable Equal Opportunity and Occupational Safety and Health Act laws and regulations.

* * *

April 10, 1974

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Directors Board Room, Century Plaza Hotel, Avenue of the Stars, Los Angeles, California, on Wednesday, April 10, 1974 at 9:00 A.M. pursuant to due notice.

* * *

Reports without Resolutions.

A. W. R. Goodwin - President's Report.

Compliance by the Corporation with Equal Opportunity and Occupational Safety and Health Act laws and regulations was reviewed.

* * *

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, 1974

Commission file number 1-[illegible]



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.)
Greenwood Plaza, Denver, Colorado	80217
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 303-770-1000

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 2004	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 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 X . No ___ .

* * *

As of March 1, 1974, the Company was a defendant or co-defendant in 57 suits alleging damage to the health of persons exposed to asbestos-containing products manufactured by the Company. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos dust emitted from such products. The Company maintains that there was no basis for any warning until the publication of scientific studies in 1964 following which appropriate warnings were given. The Company believes that any recovery by plaintiffs in these cases will not materially affect the earnings or financial position of the Company.

* * *

Published by AsbestosClaims.Law
asbestosclaims.law/library/24167/22

1976

Published by AsbestosClaims.Law
asbestosclaims.law/library/24167/23

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, 1975 — 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.)
Greenwood Plaza, Denver, Colorado (Address of principal executive offices)	80217 (Zip Code)

Registrant's telephone number, including area code 303-770-1000

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 2004	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 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 X. No __.

* * *

As of March 1, 1976, the Company was a defendant or co-defendant in 124 suits alleging damage to the health of persons exposed to asbestos-containing products manufactured by the Company. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos dust emitted from such products. In addition to these current cases, the Company has settled 20 and has unsuccessfully tried two similar cases. As all of these cases involve similar issues, the results in these settled and tried cases may adversely affect the results in the current and future cases. The Company maintains that there was no basis for any warning until the publication of scientific studies in 1964 following which appropriate warnings were given. On May 6, 1975, in the United States District Court for the District of New Jersey, a purported class action was instituted against the Company and five other defendants by former employees of Raybestos-Manhattan, Inc. The 309 named plaintiffs each seek $2,000,000 damages for various injuries claimed to result from exposure to asbestos fiber sold their employer by four of the defendants, including the Company. The claims are based principally on the defendants alleged failure to warn of hazards associated with such fiber. The Company believes it has substantial defenses to such claims.

The Company believes that the preponderance of injuries complained of originated from exposure to heavy concentrations of asbestos dust prevelant more than ten years ago and that safety measures instituted since 1964 will reduce the incidence of future injuries.

The Company believes that any amounts that it may be obligated to pay as a result of these cases will be adequately covered by existing insurance and that any recovery by the plaintiffs will not materially adversely affect the earnings or financial position of the Company.

* * *

1 ⅓ settlements
1 ⅔ class action
1 ⅔ lost cases
Post '64 safety measures will reduce incidence of future injuries

As filed with the Securities and Exchange Commission on May 3, 1976

Registration No. 2-56240

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM S-7

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

JOHNS-MANVILLE CORPORATION

(Exact name of registrant as specified in its charter)

New York	13-0889660
(State of Incorporation)	(I. R. S. Employer Identification No.)
Greenwood Plaza Denver, Colorado	80217
(Address of principal executive offices)	(Zip Code)

(303) 770-1000

(Registrant's telephone number, including area code)

GEORGE W. O'DAIR
Sr. Vice President, Finance
JOHNS-MANVILLE CORPORATION
Greenwood Plaza
Denver, Colorado 80217
(Name and address of agent for service)

Copies to:

WILLIAM D. TUCKER, JR., ESQ.
DAVIS POLK & WARDWELL
1 Chase Manhattan Plaza
New York, New York 10005

JOHN A. McKINNEY, ESQ.
Sr. Vice President, Legal Services
JOHNS-MANVILLE CORPORATION
Greenwood Plaza
Denver, Colorado 80217

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share*	Proposed maximum aggregate offering price*	Amount of registration fee
Common Stock ($2.50 Par Value)	2,000,000 Shs.	$29.50	$59,000,000	$11,800

* Estimated solely for the purpose of determining the registration fee, on the basis of the lowest sale price for shares on April 19, 1976 as reported on the Composite Tape.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

As of April 20, 1976, the Company was a defendant or co-defendant in 136 suits alleging damage to the health of persons exposed to asbestos fiber or asbestos-containing products manufactured by the Company. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos containing dust emitted from such products. The Company maintains that there was no basis for any warning until the publication of scientific studies in 1964 following which appropriate warnings were given. In addition to these current cases, the Company has settled 24 and has unsuccessfully litigated two similar cases. As most of these cases involve similar issues, the results in these settled and litigated cases may adversely affect the results in the pending and future cases.

On May 6, 1975, in the United States District Court for the District of New Jersey, a purported class action was instituted against the Company and five other defendants by former employees of Raybestos-Manhattan, Inc. The 309 named plaintiffs each seek $2,000,000 damages for various injuries claimed to have resulted from exposure to asbestos fiber sold their employer by four of the defendants, including the Company. The claims are based principally on the defendants' alleged failure to warn of the hazards associated with the inhalation of such fiber. The Company believes it has substantial defenses to such claims.

The Company believes that any amounts it may be obligated to pay as a result of pending asbestos-related cases, net of insurance proceeds, will not materially adversely affect the earnings or financial position of the Company.

The Company believes that the preponderance of injuries complained of originated from exposure to heavy concentrations of asbestos dust prevalent more than ten years ago. Although additional complaints of injury may arise in the future in respect of past exposure to asbestos dust, the Company believes that safety measures instituted since 1964 will substantially eliminate the incidence of injuries in the future arising from exposure after such safety measures were implemented.

The Company is experiencing increasing costs for workers' compensation claims and insurance against such claims, in part because of increasing numbers of occupational disease cases related to exposure to asbestos. Some states in which the Company has operating facilities have either increased or have under consideration increasing the limitation on recoveries under their respective compensation statutes. The Company is unable to determine at this time the effect of such changes and potential changes on its business.

1977

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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, 1976 — 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	80217
(Address of principal executive offices)	(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 2004	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 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 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. 21,421,108 shares.

Item 5. Legal Proceedings.

As of March 1, 1977, the Company was a defendant or co-defendant in 271 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. In addition to these current cases, the Company has settled 36 cases. Of five cases which have proceeded through trial, four were decided in favor of the plaintiff and the Company received a jury verdict in its favor in one case. As all of these cases involve similar issues, the results in the settled and unsuccessfully tried cases may adversely affect the current and future cases.

Included within the 271 suits are four multi-plaintiff cases. Three of such cases filed in the United States District Court for the District of New Jersey involve claims by approximately 500 former employees of Raybestos-Manhattan, Inc. of these plaintiffs, 309 each seek $2,000,000 damage and the remainder each seek unspecified damages for various injuries claimed to result from exposure to asbestos fiber sold their employer by the Company and the majority of the other defendants. The claims are based principally on the defendants' alleged failure to warn of hazards associated with such fiber. The Company believes it has substantial defenses to such claims. The other multi-plaintiff case is a suit in the United States District Court for the District of New Jersey by nine persons, all former employees of Owens-Corning Fiberglas, and all those similarly situated, each seeking $4,000,000 damages for various injuries claimed to result from exposure to asbestos fiber sold their employer by certain defendants, including the Company. The claims are based principally on the defendants' alleged failure to warn of hazards associated with such fiber. Discovery has not commenced in this case, however it appears to be similar to the cases involving former employees of Raybestos-Manhattan, Inc. described above and the Company anticipates it will have the same substantial defenses to these claims.

In seven cases brought in the Superior Court for Contra Costa County, California, present or former employees of the Company have brought actions against the Company and two former contract physicians of the Company. Each plaintiff seeks $11,000,000 damages for various injuries claimed to result from exposure to asbestos supplied by the Company. The claims are based principally on the Company's alleged failure to warn of the hazards associated with such fiber. In four other cases, also brought in Superior Court for Contra Costa County, California, the Company is a cross-defendant in actions brought 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. 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.

The Company believes that the preponderance of asbestos-related injuries complained of originated from exposure to heavy concentrations of asbestos dust prevalent many years ago and that safety measures instituted since 1964 will reduce the incidence of future injuries.

* * *

As indicated herein, the Company believes it has substantial defenses to each of the above-described claims. Of the asbestos health cases tried or settled, one case resulted in damages of more than $100,000 being assessed against the Company. The average amount paid by the Company in such cases is less than $50,000. The Company further believes that any amounts that it may be obligated to pay as a result of these cases or the railroad car cases will be adequately covered by applicable insurance. Any recovery by the plaintiffs will not materially adversely affect the earnings or financial position of the Company.

* * *

1st case tried, won
Substantial defense
1st (known) amt
settled size

March 4, 1977

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the 2nd floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, March 4, 1977, at 9:00 a.m. pursuant to due notice.

* * *

Report of President.

* * *

Results of health surveys at our Stockton Plant indicate no asbestos disease among the workers exposed at that location for up to fifteen years. Dr. Selikoff has completed a study of the population of Paterson, New Jersey, which indicates no excess of disease in that asbestos mill town. Other favorable developments were related in respect to the asbestos-health field.

* * *

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 2004	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 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 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.

* * *

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.

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.

* * *

During pre '64 exposure - gov, medical experts believed dust presented no appreciable danger

April 7, 1978

Board Presentation --

Selected Transparencies

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LITIGATION BY DIVISION
YEAR END TOTALS

DIVISION	TOTAL OPEN CASES AS OF 12/31/75		TOTAL OPEN CASES AS OF 12/31/76		TOTAL OPEN CASES AS OF 12/31/77
AG-TURF	20	(5/3)	22	(4/5)	21
ASBESTOS HEALTH	106	(157/13)	250	(363/51)	562
BUILDING SYSTEMS	52	(34/8)	78	(37/15)	100
CANADIAN PRODUCTS	2	(4/-)	6	(-/-)	6
HOLOPHANE	4	(5/3)	6	(-/1)	5
INDUSTRIAL PRODUCTS	11	(155/1)	165	(40/3)	202
PIPE	24	(15/3)	36	(18/12)	42
RESIDENTIAL PRODUCTS	21	(27/16)	32	(14/8)	38
MISCELLANEOUS	36	(18/13)	41	(14/7)	48
TOTALS	276	(419/60)	636	(490/102)	1024

ASBESTOS HEALTH CASES
BREAKDOWN OF PLAINTIFFS

YEAR	INSULATION WORKER	SHIPYARD WORKER	FACTORY WORKER	OTHER
PRE-1975	15	0	5	4
1975				
1ST QTR.	3	0	0	2
2ND QTR.	13	0	164	4
3RD QTR.	7	1	1	1
4TH QTR.	22	2	35	3
TOTAL	45	3	200	10
1976				
1ST QTR.	10	0	4	6
2ND QTR.	109	1	3	4
3RD QTR.	28	10	122	1
4TH QTR.	20	18	10	6
TOTAL	167	29	139	17
1977				
1ST QTR.	60	88	69	3
2ND QTR.	38	25	85	4
3RD QTR.	43	28	22	3
4TH QTR.	16	29	16	5
TOTAL	157	170	192	15
GRAND TOTAL	375	209	497	36

May 5, 1978

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in Suite No. 633 of The Copley Plaza Hotel, Boston, Massachusetts, on Friday, May 5, 1978, at 9:45 a.m. pursuant to due notice.

* * *

Report of President and Chief Executive Officer

* * *

The situation relating to asbestos health was discussed at length. Mr. McKinney will be interviewed by several news organizations during the coming weeks.

* * *

July 7, 1978

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, July 7, 1978, at 10:00 a.m. pursuant to due notice.

* * *

Report of President and Chief Executive Officer

* * *

The appearance of Dr. Paul Kotin, Senior Vice President of the Company, on a recent Meet the Press television program on Occupational Health was discussed as well as the results of recent discussions with Mr. Joseph Califano, Secretary of Health, Education and Welfare, regarding asbestos health matters.

* * *

At the conclusion of the meeting, Dr. Paul Kotin reviewed for the Board the work done by Dr. Irving Selikoff and his colleagues at Mt. Sinai Hospital in the area of asbestos health. Following adjournment, the Board met with Dr. Selikoff at Mt. Sinai to hear his assessment of the problems encountered by asbestos workers, the current assessment of hazards and controls and the potential impact on the industry and its employees.

* * *

October 6, 1978

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, October 6, 1978, at 9:00 a.m. pursuant to due notice.

* * *

Asbestos Disease - J. A. McKinney

John A. Love asked whether Johns-Manville is taking adequate precautions in the current use of asbestos to avoid or minimize health risks and future liability. Mr. McKinney responded that sbestosis, lung cancer, cancer of the larynx and gastrointestinal cancer are all dose related diseases. Dr. Paul Kotin, M.D., Senior Vice President for Health, Safety and Environment of Johns-Manville is of the opinion, although there is opinion to the contrary, that the present standard of two fibers per cubic centimeter is a safe level of exposure. Johns-Manville is adhering to that standard. It is true that Johns-Manville's use of fiber is safe and that third parties are adequately advised as to the proper use and control of asbestos fibers and asbestos-containing products.

Mr. McKinney reviewed studies of the Stockton, California Asbestos Cement Pipe plant. This plant has been in operation 20-21 years. Dust control has kept the level of asbestos fibers to approximately 5 fibers per cubic centimeter during much of this period. There has been only one case of mesothelioma at the Stockton plant and that case is thought to be related to exposure prior to employment at Stockton.

Mr. McKinney summarized his response by stating that, to the extent that Johns-Manville is in compliance with the present OSHA standard of two fibers per cubic centimeter, future asbestos-related disease is not being generated.

* * *

November 3, 1978

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, November 3, 1978, at 9:00 a.m. pursuant to due notice.

* * *

Report of President and Chief Executive Officer

Mr. McKinney reported on a class action suit recently filed in Los Angeles on behalf of all workers previously employed in the Todd Pacific Shipyards, Los Angeles Division and the Long Beach, California Naval Shipyard.

* * *

1979

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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, 1978 — 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	80217
(Address of principal executive offices)	(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 2004	New York Stock Exchange
Cumulative Preferred Stock ($1.00 par value) $5.40 Series	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 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 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. 21,813,137 shares.

* * *

Item 3. Legal Proceedings.

As of March 1, 1979, the Company was the defendant or a co-defendant in 1,370 suits alleging damage to the health of persons exposed to asbestos fiber or asbestos-containing products manufactured or sold by the Company and, in most cases, certain other defendants. The majority of these suits ("typical cases") 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. A small number of cases are brought by some of the Company's own employees and by employees of other manufacturing companies that used asbestos fiber in their operations, which fiber was supplied by the Company, and in some cases other suppliers. With respect to the non-Company employees, the Company denies any unique knowledge not in the possession of these plaintiffs' employers which would give rise to any special duty on the part of the Company. With respect to the Company employees, the Company asserts that applicable workers' compensation statutes provide the appropriate and exclusive remedy.

Included within the 1,370 cases are six multi-plaintiff cases, two of which are merely aggregations of 22 plaintiffs but otherwise indistinguishable from the typical cases described above. The other four multi-plaintiff cases and three other groups of cases — indemnity actions, direct employee actions and purported class actions — are described below.

In addition to these current cases, the Company has settled or otherwise disposed of 279 cases. Of eleven cases which have proceeded through trial, five were decided in favor of the plaintiff, the Company received jury verdicts in its favor in five cases and one case is awaiting decision by the Kentucky Supreme Court.

Multi-Plaintiff Cases. Each of the four multi-plaintiff cases mentioned above was filed in the United States District Court for the District of New Jersey, and consists 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 these 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 $1,000,000 damages and $1,000,000 in punitive damages and the remainder each seek $4,000,000 damages (including $2,000,000 punitive damages). The Company believes it has substantial defenses to all such claims.

Indemnity Actions. In five 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 plaintiffs' 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 plaintiffs' actions (each plaintiff seeks $800,000 compensatory damages and $1,500,000 punitive damages) and asserting independent causes of action of $12,000,000 damages (including $10,000,000 punitive 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 five 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 1,370 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 24 cases (a total of 55 plaintiffs) arising out of the Company's Pittsburg, California plant with each plaintiff seeking $11,000,000 in damages (including $10,000,000 puni-

tive 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 (including $10,000,000 punitive 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 (including $50,000,000 punitive damages); 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; and one case (a purported class-action) arising out of the Company's Denison, Texas plant, with the plaintiff seeking $2,500,000 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.

Purported Class Actions. In addition to the two purported class actions described under "Direct Employee Actions", the Company is a defendant in five other purported class actions also included within the 1,370 cases.

1. *International Brotherhood of Boilermakers, et al vs. Johns-Manville Products Corporation, et al* is a purported class action filed on December 15, 1978 in the United States District Court, Mobile, Alabama against the Company and five other defendants brought on behalf of all past and present employees of the Ingalls Shipbuilding Division in Mississippi alleging injuries from exposure to asbestos-containing products supplied by the defendants. The complaint seeks damages for the named plaintiff in the amount of $100,000 and for the members of the class of $250 million. The plaintiff also seeks injunctive and declaratory judgment relief.

2. *Prudencio Chavez, et al and John Pouncey, et al vs. Johns-Manville Corporation, et al* is a purported class action filed on October 27, 1978 in the Superior Court for the County of Los Angeles, California against the Company and 15 other named defendants. The plaintiffs purportedly represent: (1) all living persons who worked in the employ of the Todd Pacific Shipyards, Los Angeles, and (2) all living persons who worked in the employ of the Long Beach Naval Shipyard, Long Beach, California. The suit seeks damages for injuries allegedly suffered by each of these employees arising from exposure to excessive levels of asbestos fiber from products sold by the defendants. The damages being sought are compensatory damages of $1 million per person, medical testing expenses of $1,500 per person, damages for unjust enrichment of the defendants equal to the defendants' profits from the sale of asbestos products from January 1, 1938 to the present (estimated by the plaintiffs to exceed $1 billion) and punitive damages equal to the profits realized from the sale of asbestos products from January 1, 1938 to the present (estimated by the plaintiffs to exceed $1 billion). Discovery has not yet commenced in this case.

3. *Washington, Willie Lee and Jewel Rivers, et al vs. Johns-Manville Products Corporation is a* purported class action filed on January 25, 1978 in the United States District Court for the District of South Carolina against the Company and eight other defendants on behalf of all past and present employees of the Garco facility in North Carolina alleging injuries from exposure to asbestos-containing products supplied by the defendants. The complaint seeks compensatory and punitive damages in unstated amounts.

4. *M. E. Parson, J. S. Hendricks and C. W. Hendricks, et al vs. Johns-Manville Corporation, et al* is a purported class action filed on December 1, 1978 in the United States District Court for the Southern District of Georgia against the Company and twenty-one (21) other defendants on behalf of all past and present shipyard employees and insulation workers who have been or are exposed to asbestos material in the course of their work. The complaint seeks compensatory and exemplary damages in unstated amounts and also seeks injunctive and declaratory relief.

5. *Van Harville and Calvin Tillman, et al vs. John-Manville Products Corporation, et al* is a purported class action filed in January, 1979 in the United States District Court for the Southern District of Alabama against the Company and five (5) other defendants on behalf of all past and present employees of Alabama Dry Dock and Shipbuilding Company alleging injuries from exposure to asbestos-containing products supplied by the defendants. The complaint seeks damages for the named plaintiffs in the amount of $100,000 and for members of the class of $250 million in compensatory damages and $250 million in punitive damages. The plaintiffs also seek injunctive and declaratory relief.

With respect to each of the purported class actions, the Company believes there are insufficient facts to support class action status, that it has substantial defenses to the claims made and that any recovery will be adequately covered by applicable insurance maintained by the Company.

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 the Company believes will reduce or virtually eliminate the incidence of future injuries. The Occupational Safety and Health Administration has also prescribed stringent controls and work practices in asbestos-related 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 earlier exposures.

Of the 290 asbestos health cases tried, settled or otherwise disposed of, the average amount paid by or on behalf of the Company is less than $20,000, with only five cases resulting in damages of more than $100,000 being paid by or on behalf of the Company. During 1978 there was a slight upward trend in the average disposition cost per case in comparison with prior years. 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 cases will be adequately covered by applicable insurance with the possible exception in some cases of punitive damages directly alleged against the Company and the direct actions by employees and former employees of the Company. With respect to the punitive damages, it is the Company's opinion that such damages, if any, will not be material to the Company's financial position. With respect to the direct actions by employees and former employees of the Company, it is the Company's opinion that applicable workers' compensation statutes provide the exclusive remedies to such plaintiffs.

Based on the defenses and insurance coverage available to the Company and its experience to date, the Company believes that any recovery by the plaintiffs in the pending cases will not materially adversely affect the Company's consolidated financial position or results of operations.

* * *

While the result of any legal proceeding contains elements of uncertainty, it is the present opinion of the Company that the above described actions will not have a material adverse effect on the Company's consolidated financial position or results of operations.

* * *

1st amended complaint dated

March 2, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, March 2, 1979, at 9:00 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

J. A. McKinney reported on his efforts to encourage a legislative solution to the Company's asbestos health/liability situation and the effect of the news media on those efforts.

Mr. McKinney reviewed allegations made against the Company and other asbestos companies by plaintiffs' pleadings in various lawsuits which allegations have been repeated in the media. He repudiated such allegations by reviewing the efforts made by the Company and others, the role of the medical profession, United States Public Health Service, Department of the Navy and the media. He stated the Company position that we will oppose any effort to have industry pay for the contributions of government and medical science to the development of asbestos-related disease. With particular reference to allegations of a conspiracy to cover up knowledge of asbestos-related disease, Mr. McKinney reviewed the studies undertaken by the Company and the publication of the results of those studies.

* * *

April 6, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Training Center, Olinkraft, Inc. Corporate Headquarters, West Monroe, Louisiana, on Friday, April 6, 1979, at 7:30 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

* * *

Mr. McKinney reported on a Defendant's verdict on a third party asbestos health case in Cleveland, Ohio. Mr. McKinney also commented on the status of a bill to have the safety of school ceilings tested.

* * *

Finally Mr. McKinney commented on his continuing efforts to achieve a legislative solution to the asbestos health problem.

* * *

As filed with the Securities and Exchange Commission on April 20, 1979

Registration No.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM S-7

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

JOHNS-MANVILLE CORPORATION

(Exact name of registrant as specified in its charter)

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

(303) 979-1000

(Registrant's telephone number, including area code)

G. EARL PARKER

Vice President, General Counsel and Secretary

JOHNS-MANVILLE CORPORATION

Ken-Caryl Ranch

Denver, Colorado 80217

(Name and address of agent for service)

Copy to:

WILLIAM D. TUCKER, Jr.

DAVIS POLK & WARDWELL

1 Chase Manhattan Plaza

New York, New York 10005

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this registration statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit*	Proposed maximum aggregate offering price*	Amount of registration fee
% Notes Due 1985	$100,000,000	100%	$100,000,000	$20,000

* Estimated solely for the purpose of determining the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a),

Litigation

The Company is a defendant or co-defendant in numerous legal actions alleging damage to the health of persons exposed to dust from asbestos-containing products manufactured or sold by the Company, and in most cases, by 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 fiber in dust originating from asbestos-containing products. The Company believes that it has substantial defenses to these legal actions, resulting in part from its prompt warnings of possible hazards of exposure to asbestos fiber emitted from asbestos-containing insulation products following the 1964 publication of scientific studies linking pulmonary disease in insulation workers to asbestos exposure.

The Company is also a defendant or co-defendant in a number of cases brought by some of its own employees and by employees of manufacturing companies which used asbestos fiber in their operations. These suits typically allege that the Company and other defendants failed to warn of the hazards associated with the use of such fiber. The Company believes that it has substantial defenses to these legal actions including the fact that, with respect to employees of other manufacturers, it had no special knowledge not in the possession of the plaintiff's employers which would give rise to a special duty on the part of the Company, and, with respect to employees of the Company, that applicable workers' compensation statutes provide the exclusive remedy for any such injuries.

Of the 290 asbestos health cases tried, settled or otherwise disposed of, the average amount paid by or on behalf of the Company is less than $20,000, with only five cases resulting in damages of more than $100,000 being paid by or on behalf of the Company. During 1978 there was a slight upward trend in the average disposition cost per case in comparison with prior years. As indicated herein, the Company believes it has substantial defenses to each of the above described claims. Twelve cases have been tried; of the last eight cases tried, six have resulted in verdicts for the defendants.

The Company believes that any amounts that it may be obligated to pay as a result of the pending asbestos cases will be adequately covered by applicable insurance with the possible exception in some cases of punitive damages directly alleged against the Company and the direct actions by employees and former employees of the Company. With respect to the direct actions by employees and former employees of the Company, it is the Company's opinion that applicable workers' compensation statutes provide the exclusive remedy to such plaintiffs. With respect to the punitive damages, it is the Company's opinion that such damages, if any, will not be material to its financial position. The Company believes that any ultimate liability of the Company arising out of the pending asbestos cases will not have a material adverse effect on its consolidated financial position or results of operations.

Included within the legal actions described above are a series of indemnity actions, employee actions and six purported class actions which are further described below:

In five cases, former employees of the Company have brought legal actions against a former contract physician of the Company for 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 $800,000 compensatory damages and $1.5 million punitive damages) and asserting independent causes of action for $12 million damages (including $10 million punitive damages) for breach of contract and misrepresentation.

Direct actions by employees of the Company include three purported class actions. Actions brought by employees of manufacturing companies which used asbestos fiber in their operations include three actions brought by approximately 500 former employees of Raybestos-Manhattan, Inc. In addition to general damages, these plaintiffs also seek punitive damages ranging from $1 million to $50 million per plaintiff.

In addition to the three direct employee purported class-actions mentioned above, the Company is a defendant in six other purported class-actions. These cases consist of actions on behalf of all past and present employees of the Ingalls Shipbuilding Division in Mississippi (seeking $250 million in damages); all past and present employees of the Todd Pacific Shipyards, Los Angeles and all past and present employees of the Long Beach Naval Shipyard, Long Beach, California (seeking $1 million per

person, damages for unjust enrichment and punitive damage estimated by the plaintiffs to exceed $1 billion each and injunctive relief); all past and present employees of the Garco Facility in North Carolina (seeking unspecified compensatory and punitive damages); all past and present employees of the Alabama Dry Dock and Shipbuilding Company (seeking $250 million compensatory and $250 million punitive damages); all past and present employees of the Raybestos-Manhattan Inc. Passaic, New Jersey facility (seeking unspecified compensatory and punitive damages); and a general class action on behalf of all past and present shipyard employees and insulation workers (seeking unspecified compensatory and punitive damages and injunctive relief). With respect to each of the purported class-actions, the Company believes there are insufficient grounds to support class-action status and that it has substantial defenses to the claims made.

May 3, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Pioneer Room of the Petroleum Club, Anaconda Building, 555 17th Street, Denver, Colorado, on Thursday, May 3, 1979, at 3:30 p.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

Mr. McKinney reported on favorable reaction from employees, customers and others on the Asbestos Section in the Annual Report and its impact on Capitol Hill. Mr. McKinney described the reaction of the Wall Street Journal.

Mr. McKinney also reported on statements made by Congressman George Miller (D) of California at recent Congressional hearings against the Asbestos Industry, Johns-Manville and John McKinney. Mr. McKinney described a telex that the Company sent to Congressman Miller and that the press reacted favorably to the telex.

* * *

As filed with the Securities and Exchange Commission on May 9, 1979

Registration No. 2-64226

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

AMENDMENT NO. 1

To

FORM S-7

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

JOHNS-MANVILLE CORPORATION
(Exact name of registrant as specified in its charter)

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

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

G. EARL PARKER
Vice President, General Counsel and Secretary
JOHNS-MANVILLE CORPORATION
Ken-Caryl Ranch
Denver, Colorado 80217
(Name and address of agent for service)

Copy to:
WILLIAM D. TUCKER, JR.
DAVIS POLK & WARDWELL
1 Chase Manhattan Plaza
New York, New York 10005

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Litigation

The Company is a defendant or co-defendant in numerous legal actions alleging damage to the health of persons exposed to dust from asbestos-containing products manufactured or sold by the Company, and in most cases, by certain other defendants. The number of these actions has increased substantially in each of the last four years. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos fiber in dust originating from asbestos-containing products. The Company believes that it has substantial defenses to these legal actions, resulting in part from its prompt warnings of possible hazards of exposure to asbestos fiber emitted from asbestos-containing insulation products following the 1964 publication of scientific studies linking pulmonary disease in insulation workers to asbestos exposure.

The Company is also a defendant or co-defendant in a number of cases brought by some of its own employees and by employees of manufacturing companies which used asbestos fiber in their operations. There has been an increase in these cases in recent years. These suits typically allege that the Company and other defendants failed to warn of the hazards associated with the use of such fiber. The Company believes that it has substantial defenses to these legal actions including the fact that, with respect to employees of other manufacturers, it had no special knowledge not in the possession of the plaintiff's employers which would give rise to a special duty on the part of the Company, and, with respect to employees of the Company, that applicable workers' compensation statutes provide the exclusive remedy r any such injuries.

Of the 290 asbestos health cases tried, settled or otherwise disposed of, the average amount paid by or on behalf of the Company is less than $20,000, with only five cases resulting in damages of more than $100,000 being paid by or on behalf of the Company. During 1978 there was a slight upward trend in the average disposition cost per case in comparison with prior years. As indicated herein, the Company believes it has substantial defenses to each of the above described claims. Twelve cases have been tried; of the last eight cases tried, six have resulted in verdicts for the defendants.

The Company believes that any amounts that it may be obligated to pay as a result of the pending asbestos cases will be adequately covered by applicable insurance with the possible exception in some ses of punitive damages directly alleged against the Company and the direct actions by employees and rmer employees of the Company. With respect to the direct actions by employees and former employees of the Company, it is the Company's opinion that applicable workers' compensation statutes provide the exclusive remedy to such plaintiffs. In a recent decision, a lower court in California has ruled contrary to this opinion. The Company intends to appeal this ruling. With respect to the punitive damages, it is the Company's opinion that such damages, if any, will not be material to its financial osition. The Company believes that any ultimate liability of the Company arising out of the pending bestos cases will not have a material adverse effect on its consolidated financial position or results of operations.

Included within the legal actions described above are a series of indemnity actions, employee actions and six purported class actions which are further described below:

In five cases, former employees of the Company have brought legal actions against a former contract physician of the Company for 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 $800,000 compensatory damages and $1.5 million punitive damages) and asserting independent causes of action for $12 million damages (including $10 million punitive damages) for breach of contract and misrepresentation.

Direct actions by employees of the Company include two purported class actions. Actions brought by employees of manufacturing companies which used asbestos fiber in their operations include three actions brought by approximately 500 former employees of Raybestos-Manhattan, Inc. In addition to general damages, these plaintiffs also seek punitive damages ranging from $1 million to $50 million per plaintiff. On May 8, 1979, a lower court upheld the Company's position that a complaint purported to be brought on behalf of all past and present employees of the Company at its Waukegan, Illinois plant was not entitled to class-action status. The time to appeal from this order has not expired.

In addition to the two direct employee purported class-actions mentioned above, the Company is a defendant in five other purported class actions. These cases consist of actions on behalf of all past nd present employees of the Ingalls Shipbuilding Division in Mississippi (seeking $250 million in damages); all past and present employees of the Garco Facility in North Carolina (seeking unspecified compensatory and punitive damages); all past and present employees of the Alabama Dry Dock and Shipbuilding Company (seeking $250 million compensatory and $250 million punitive damages); all past and present employees of the Raybestos-Manhattan Inc. Passaic, New Jersey facility (seeking unspecified compensatory and punitive damages); and a general class action on behalf of all past and present shipyard employees and insulation workers (seeking unspecified compensatory and punitive damages and injunctive relief). With respect to each of the purported class actions, the Company believes there are insufficient grounds to support class-action status and that it has substantial defenses to the claims made. On April 24, 1979 a lower court upheld the Company's position that a complaint purported to be brought on behalf of all past and present employees of Todd Pacific Shipyards, Los Angeles, California, and of Long Beach Naval Shipyard, Long Beach, California, was not entitled to class-action status. The time to appeal from this order has not yet expired.

Johns-Manville is also a defendant in a purported class action commenced May 4, 1979 by one of its shareholders. The complaint charges violations of Section 10(b) of the Securities Exchange Act of 1934 nd Rule 10b-5 under that Act by alleged misrepresentations in or material omissions from the Company's published documents with respect to matters bearing on its potential asbestos-related health claims and liabilities. The complaint also charges that a prospectus issued by the Company in connection with a public offering of its common stock in 1976 violated Section 11 of the Securities Act of 1933 for substantially the same reasons. The class purported to be represented by the plaintiff is all persons who bought Johns-Manville Common Stock between April 1, 1975 and October 15, 1978, including as a sub-class all persons who purchased Common Stock in the 1976 public offering. The damages claimed are in an unspecified amount representing the loss suffered through purchases of Common Stock at market prices allegedly inflated by the Company's violations of the securities laws, followed by a decline in the market value of the Common Stock allegedly resulting from disclosure of relevant facts in October 1978. Johns-Manville denies that it has made the alleged misrepresentatons and omissions.

A committee of the House of Representatives has voted in favor of a proposal to establish a $330 million federal program to detect and remove certain asbestos material from schools and directed the Justice Department to investigate possible recovery of all or parts of such amount from the asbestos industry. The Company cannot predict whether any legislative proposals relating to asbestos materials will become law or the possible effects thereof or of any Justice Department investigation on the Company.

June 1, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, June 1, 1979, at 9:00 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

* * *

Mr. McKinney reviewed developments in asbestos compensation legislation with particular reference to government involvement in the genesis of asbestos-related disease.

Mr. McKinney informed the Board that a purported class action had been filed alleging misleading statements in recent SEC filings concerning the financial impact of asbestos health litigation.

* * *

June 29, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, June 29, 1979, at 9:15 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

Mr. McKinney reported on the status of asbestos health compensation programs. Senator Hart is expected to introduce an asbestos compensation bill shortly and efforts are being made to obtain support for the bill.

* * *

August 2, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held at the Eagles Nest Room, Old Baldy Club, Saratoga, Wyoming, on Thursday, August 2, 1979, at 9:00 a.m. pursuant to due notice.

* * * *

Report on Legal Proceedings - G. E. Parker, R. B. VonWald, D. H. Markusson

Messrs. Parker, VonWald and Markusson reviewed the organization of the Legal Department, legal proceedings involving Olinkraft and arising out of the Olinkraft acquisition, and legal proceedings involving Johns-Manville historical operations, including a detailed review of the current status of the Company's asbestos health litigation.

Report on Status of Asbestos Compensation Legislation - J. S. Autry

Mr. Autry reviewed the history and current status of the Company's efforts in the area of asbestos health compensation legislation.

* * *

August 2, 1979

Board Presentation

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ASBESTOS HEALTH CASES
DISTRIBUTION OF PLAINTIFFS

YEAR	INSULATION WORKER	SHIPYARD WORKER	FACTORY WORKER	OTHER	TOTAL
PRE 1975	15	0	5	4	24
1975	45	3	200	10	258
1976	167	29	139	17	352
1977	157	170	192	15	534
1978	549	239	122	272	1182
1979 (THROUGH AUG.)	347	354	43	542	1286
GRAND TOTALS	1280	795	701	860	3636

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Manville's Asbestos Litigation Chronology: 1968 to 1982 (1982), The complete binder: the chronology and its exhib...
ACL Doc 24167 · Page 58 of 258

ASBESTOS HEALTH LITIGATION
NEW CASES PER MONTH

	1976	1977	1978	1979
JANUARY	5	8	38	96
FEBRUARY	14	11	27	140
MARCH	10	55	44	167
APRIL	10	32	58	116
MAY	6	18	41	79
JUNE	6	22	70	77
JULY	11	23	153	255
AUGUST	17	28	75	165
SEPTEMBER	8	24	36	
OCTOBER	26	55	51	
NOVEMBER	38	35	39	
DECEMBER	8	51	160	
TOTAL	159	362	792	1095

AS OF 9/4/79 - 2170 OPEN CASES

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ACL Doc 24167 · Page 59 of 258

LITIGATION

	12/31/75	12/31/76	12/31/77	12/31/78	06/30/79
TOTAL OPEN CASES AS OF DATE	281	616	988	1467	2102
TYPES OF ACTIVE CASES AS OF DATE					
A. PRODUCT LIABILITY	113	272	318	166	198
B. OCCUPATIONAL HEALTH	106	247	559	1181	1753
C. NON-PRODUCT RELATED	54	85	93	101	125
D. J-M INITIATED	8	12	18	19	26
COMPLETELY OR PARTIALLY INSURED AS OF DATE	211	526	866	1327	1961

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BESTOS I .TH LITIGATION

NEW CASES PER MONTH

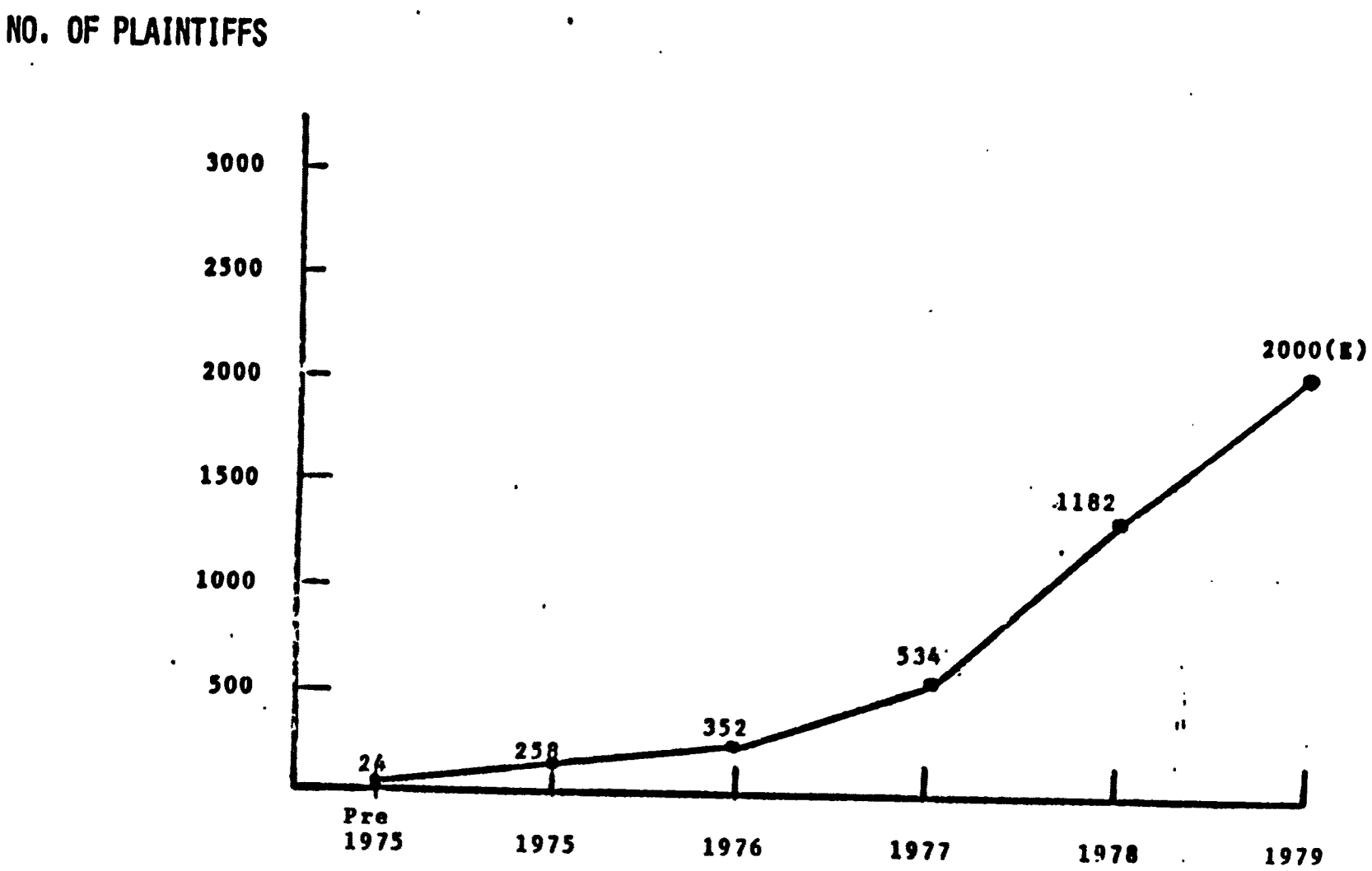
	1976	1977	1978	1979
JANUARY	5	8	38	96
FEBRUARY	14	11	27	140
MARCH	10	55	44	167
APRIL	10	32	58	116
MAY	6	18	41	79
JUNE	6	22	70	77
JULY	11	23	153	209
AUGUST	17	28	75	
SEPTEMBER	8	24	36	
OCTOBER	26	55	51	
NOVEMBER	38	35	39	
DECEMBER	8	51	160	
TOTAL	159	362	792	884

AS OF 7/19/79 - 1962 OPEN CASES

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FREQUENCY OF NEW CASES
(PLAINTIFFS)



(E) Estimate based on results through July 19, 1979

TRIAL EXPERIENCE

			J-M SHARE
1974			
BOREL	PLTS VERDICT	79,436.24	9,750.00
1975			
KARJALA	PLTS VERDICT	214,079.33	214,079.33
1976			
LOUISVILLE TRUST	PLTS VERDICT	90,000.00	90,000.00
HAMILTON	PLTS VERDICT	16,000.00	16,000.00
1977			
STARNES	DEF VERDICT		
DANIELS	DEF VERDICT		
BUMGARDNER	DEF VERDICT		
1978			
BARNETT	DEF VERDICT (NEW TRIAL GRANTED)		
DISHNER	PLTS VERDICT	750,000.00 *	275,000.00
CAMPBELL, J.	PLTS VERDICT	75,000.00	9,000.00
CAMPBELL, M.	DEF VERDICT		

*TRIAL COURT'S VERDICT WAS FOR $750,000. CASE APPEALED AND SETTLED FOR $275,000. J-M ONLY DEFENDANT.

1979

CARPENTER DEF VERDICT

SUMMARY

12 CASES TRIED

6 VERDICTS FOR PLAINTIFFS

6 VERDICTS FOR DEFENDANTS

6 OF LAST 8 DEFENDANTS VERDICTS

ALLEGED CLASS ACTIONS

A. NON-EMPLOYEE ACTIONS

1. INTERNATIONAL BROTHERHOOD OF BOILERMAKERS (INGALLS SHIPBUILDING) U.S. DISTRICT COURT, SO. DISTRICT OF ALABAMA, CIVIL ACTION NO. 78-637D.

2. WASHINGTON AND RIVERS (GARCO FACILITY), U.S. DISTRICT COURT, DISTRICT OF SOUTH CAROLINA, CIVIL ACTION NO. 78-0121.

3. PARSON, HENDRICK (GEORGIA - SHIPYARD AND INSULATION WORKERS), U.S. DISTRICT COURT, SO. DISTRICT OF GEORGIA, CIVIL ACTION NO. CU473-319.

4. VAN HARVILLE (ALABAMA DRY DOCK), U.S. DISTRICT COURT, SO. DISTRICT OF ALABAMA, CIVIL ACTION NO. 78-642P.

5. AMTMAN (RAYBESTOS - PLANT PASSAIC), U.S. DISTRICT COURT, DISTRICT OF NEW JERSEY, CIVIL ACTION NO. 79-999.

6. CLARY (KEENE CORP. EMPLOYEES), COURT OF COMMON PLEAS, MONTGOMERY COUNTY, PENNSYLVANIA, CIVIL ACTION NO. 79-08445.

7. DIAMOND (NEW YORK SHIPBUILDING CORP.), COURT OF COMMON PLEAS, PHILADELPHIA COUNTY, CASE NO. 5992.

8. STEWART (McLEAN COUNTY - "PLANT"), CIRCUIT COURT, McLEAN COUNTY, ILLINOIS, 2 CASES 78-L201 AND 78-L202.

9. ELLENBURG (McLEAN COUNTY RESIDENTS), CIRCUIT COURT, McLEAN COUNTY, ILLINOIS, CASE NO. 78-L203.

10. HAMMOND (McLEAN COUNTY - HOUSEHOLD), CIRCUIT COURT, McLEAN COUNTY, ILLINOIS, CASE NO. 78-L200.

11. KOHR (RAYBESTOS-MANHATTAN - MANHEIM, PENNSYLVANIA), COURT OF COMMON PLEAS, PHILADELPHIA COUNTY, PENNSYLVANIA, CASE NO. 4185.

12. VAN BUSKIRK (PHILADELPHIA CAREY PLANT), COURT OF COMMON PLEAS, MONTGOMERY COUNTY, PENNSYLVANIA, CASE NO. 10179.

13. CICCARELLI (EMPLOYEES OF PHILLIP CAREY, PLYMOUTH MEETING, PA), COMMON PLEAS OF MONTGOMERY COUNTY, PA, CASE NO. 79-10132.

14. GURRIE (EMPLOYEES OF GENERAL DYNAMICS AND/OR BETHLEHEM STEEL), ESSEX SUPERIOR COURT, NEW JERSEY.

15. McGRATH (EMPLOYEES OF OWENS CORNING, BERLIN, NEW JERSEY), CIVIL ACTION NO. 76-2417.

16. ABAZIA (EMPLOYEES OF RAYBESTOS-MANHATTAN, PASSAIC, NEW JERSEY), UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY, CIVIL ACTION NO. 78-418.

17. AMTMAN (EMPLOYEES OF RAYBESTOS-MANHATTAN, PASSAIC, NEW JERSEY), UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY, CIVIL ACTION NO. 79-999.

B. J-M EMPLOYEE ACTIONS

1. DOWNS (DENISON PLANT), U.S. DISTRICT COURT, EASTERN DISTRICT OF TEXAS, CIVIL ACTION NO. S-78-145-CA.

2. SMITH (MANVILLE PLANT), U.S. DISTRICT COURT, DISTRICT OF NEW JERSEY, CIVIL ACTION NO. 77-2047.

3. CRANDELL (PITTSBURG PLANT), SUPERIOR COURT, CONTRA COSTA COUNTY, CALIFORNIA.

C. CLASS TREATMENT DENIED

1. AUSTIN (EMPLOYEES OF RAYBESTOS-MANHATTAN, PASSAIC, NEW JERSEY), U.S. DISTRICT COURT, DISTRICT OF NEW JERSEY.

2. McDANIEL (J-M EMPLOYEES, WAUKEGAN), U.S. DISTRICT COURT, NORTHERN DISTRICT, ILLINOIS.

3. CHAVEZ (EMPLOYEES OF LONG BEACH NAVAL AND TODD SHIPYARDS), SUPERIOR COURT, LOS ANGELES, CALIFORNIA.

4. YANDLE V. PPG (PITTSBURG CORNING EMPLOYEES, TYLER, TEXAS), U.S. DISTRICT COURT, EASTERN DISTRICT, TEXAS.

D. CLASS TREATMENT GRANTED

NONE.

COVERUP & CONSPIRACY ALLEGATIONS

1. RAYBESTOS-MANHATTAN CORRESPONDENCE.
2. CONTROL OF MEDICAL LITERATURE.
3. CONTROL AND COVERUP OF MEDICAL RESEARCH -- SARANAC LAKE.
4. DR. KENNETH SMITH.
5. WORKERS' COMPENSATION CASES.
6. WITHHOLDING INFORMATION FROM EMPLOYEES.
7. WILBUR RUFF.

LEGISLATION

PROS - JM

1. ELIMINATION OF UNCERTAINTY OF THIRD PARTY LITIGATION.

2. ELIMINATION OF THREAT OF PUNITIVE DAMAGES.

3. PREDICTABILITY OF COSTS.

4. GOVERNMENT SHARING OF FINANCIAL BURDEN.

5. EVEN FAIR TREATMENT TO CLAIMANTS INCLUDING EMPLOYEES.

6. DEFUSING OF ASBESTOS ISSUE.

7. LESSENING IN-HOUSE REQUIREMENTS.

CONS - JM

1. COST.

2. POSSIBLE LOSS OF CONTROL OF ASBESTOS SITUATION.

3. ADVERSE CUSTOMER IMPACT.

ASBESTOS HEALTH COMPENSATION

LITIGATION VS. LEGISLATION

		HART PROPOSAL	FENWICK PROPOSAL	3RD PARTY LAWSUITS
1.	COMPENSATES FOR ASBESTOS DISEASE ON MEDICAL RATHER THAN FAULT CRITERIA.	YES	YES	NO
2.	IS COMPREHENSIVE, I.E. ALL PERSONS WITH ASBESTOS RELATED DISEASE ARE COVERED.	UNCERTAIN, MAY BE LIMITED TO OCCUPATIONAL ONLY	YES	NO AS TO WORKERS' COMPENSATION. ANYONE CAN FILE A 3RD PARTY CASE
3.	ASSURES COMPENSATION FOR CONFIRMED DISEASE.	YES FOR ALL COVERED BY BILL	YES	NO
4.	MAXIMIZES BENEFITS AND MINIMIZES NON-BENEFIT COSTS, I.E. ATTORNEYS FEES, COURT COSTS, ETC.	YES	YES	NO
5.	IS AN EXCLUSIVE REMEDY.	YES, FOR ALL COVERED BY BILL MAY BE LIMITED TO OCCUPATIONAL ONLY	YES	PRESENT SYSTEM FOSTERS W/C CASE WHERE AVAILABLE FOLLOWED BY UNCERTAIN 3RD PARTY LAWSUIT.
6.	PROVIDES FOR SPEEDY RECOVERY.	YES	YES	NO
7.	PROVIDES UNIFORM COMPENSATION	YES, ALTHOUGH NOT NECESSARILY IDENTICAL	YES, NOT NECESSARILY IDENTICAL	NO
8.	PERMITS POTENTIAL UNLIMITED RECOVERY IN ANY PARTICULAR CASE.	NO	NO	YES
9.	PERMITS ATTEMPTS TO SEEK PUNITIVE DAMAGES.	NO	NO	YES
10.	ACKNOWLEDGES A ROLE AND RESPONSIBILITY OF THE FEDERAL GOVERNMENT AND PROVIDES FOR ITS CONTRIBUTION.	YES	YES	GENERALLY, NO

11.	ACKNOWLEDGES A ROLE AND RESPONSIBILITY OF THE MANUFACTURERS AND PROVIDES FOR THEIR FINANCIAL CONTRIBUTION.			NO, 3RD PARTY CASES DEPEND ON SHOWING OF FAULT IN EACH CASE
12.	WILL PROVIDE MORE PEOPLE WITH MORE BENEFITS THAN PRESENT SYSTEMS.	YES	YES	NO
13.	WILL REQUIRE NEW FEDERAL BUREAUACRACY.	NO, EXCEPT SOME FEDERAL INTERVENTION MAY BE NECESSARY FOR NON-COMPLYING STATES	YES	NO
14.	MINIMIZES ADMINISTRATIVE COSTS.	YES	NO	NO
15.	PERMITS PRESUMPTIONS OF OF DISEASE.	NO	NO	NO
16.	PROVIDES DEFINITE LASTING BENEFITS FOR DEPENDENTS AND SURVIVORS.	YES	YES	NO, 3RD PARTY CASE IS SINGLE ONE TIME ONLY REMEDY
17.	UTILIZES EXISTING WORKERS' COMPENSATION AGENCIES TO ADMINISTER ACT.	YES	NO	NO
18.	PERMITS UTILIZATION OF EXISTING POLICIES OF INSURANCE TO PAY BENEFITS.	YES	UNCERTAIN	YES
19.	RECOGNIZES EMPLOYER RESPONSIBILITY FOR WORKING CONDITIONS.	YES	NO	GENERALLY, NO
20.	COST TO MANUFACTURER IS MINIMIZED.	UNCERTAIN	UNCERTAIN	UNCERTAIN

LEGISLATION

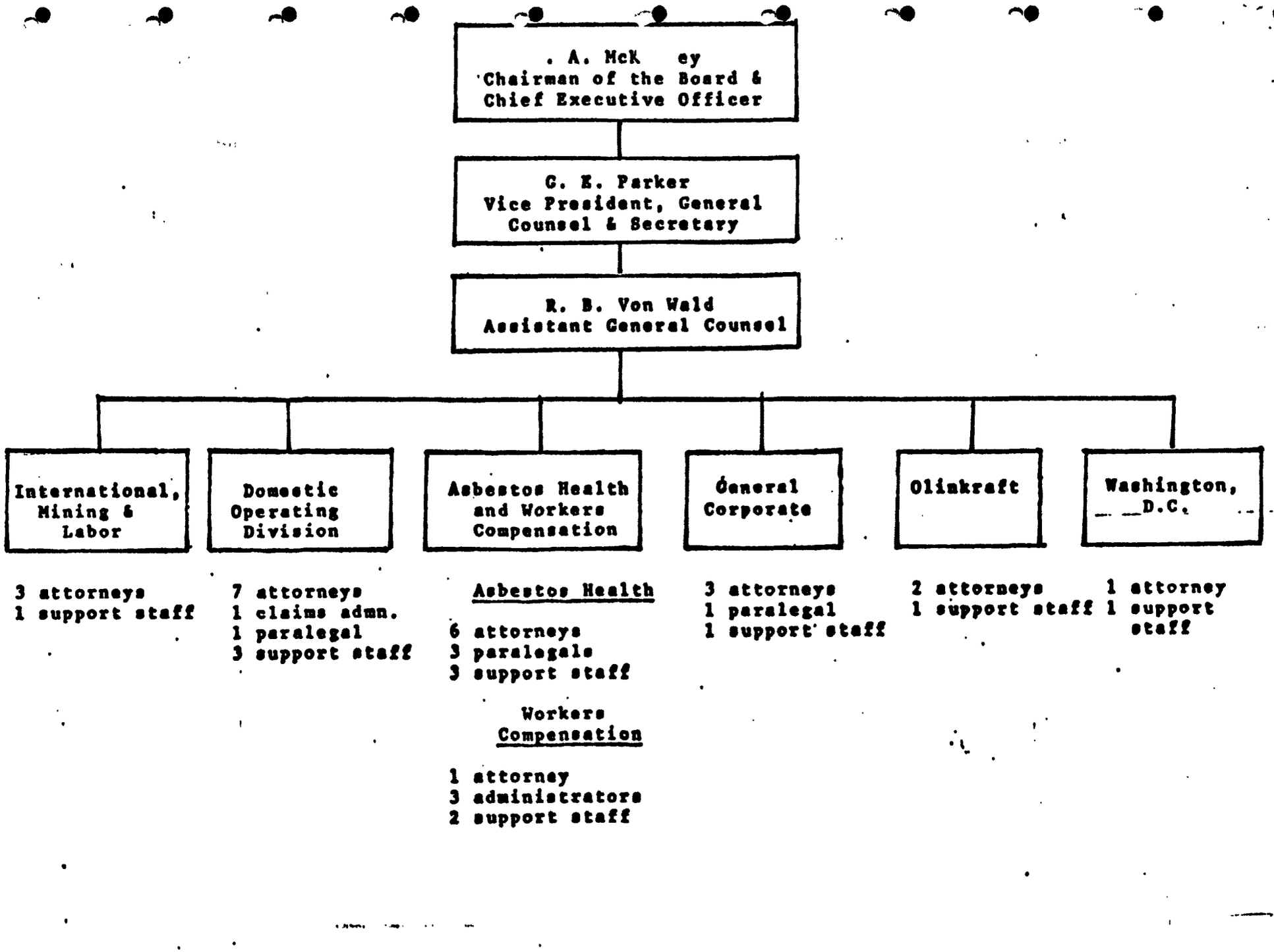
ELEMENTS ESSENTIAL TO JM

1. BROAD EQUITABLE COVERAGE
2. EXCLUSIVE NO-FAULT REMEDY - ELIMINATION OF THIRD PARTY LAWSUITS
3. NO PRESUMPTION OF DISEASE
4. GOVERNMENT RESPONSIBILITY AND FINANCIAL PARTICIPATION
5. BROAD INDUSTRY PARTICIPATION
6. EMPLOYER RESPONSIBILITY
7. FINANCIAL FEASIBILITY

ASBESTOS HEALTH CASES
DISTRIBUTION OF PLAINTIFFS

YEAR	INSULATION WORKER	SHIPYARD WORKER	FACTORY WORKER	OTHER
PRE-1975	15	0	5	4
1975				
1ST QTR.	3	0	0	2
2ND QTR.	13	0	164	4
3RD QTR.	7	1	1	1
4TH QTR.	22	2	35	3
TOTAL	45	3	200	10
1976				
1ST QTR.	10	0	4	6
2ND QTR.	109	1	3	4
3RD QTR.	28	10	122	1
4TH QTR.	20	18	10	6
TOTAL	167	29	139	17
1977				
1ST QTR.	60	88	69	3
2ND QTR.	38	25	85	4
3RD QTR.	43	28	22	3
4TH QTR.	16	29	16	5
TOTAL	157	170	192	15
1978				
1ST QTR.	82	60	77	20
2ND QTR.	89	59	22	31
3RD QTR.	241	68	14	59
4TH QTR.	137	52	9	162
TOTAL	549	239	122	272
1979				
1ST QTR.	95	129	14	261
2ND QTR.	77	138	9	165
TOTAL	172	267	23	426

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December 7, 1979

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in Room B on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, December 7, 1979, at 9:30 a.m. pursuant to due notice.

* * *

Report of the Chairman of the Board and Chief Executive Officer

* * *

Senator Hart has advised Mr. McKinney that he is planning to introduce an Asbestos Health Compensation Bill during the current legislative session. It is expected that the Construction Trades Union will support this Bill.

* * *

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, 1979 — 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	80217
(Address of principal executive offices)	(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
Cumulative Preferred Stock ($5.40 Series) ($1.00 par value)	New York Stock Exchange
7.85% Sinking Fund Debentures Due 2004	New York Stock Exchange
9.70% Notes Due 1985	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 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 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. 22,313,814 shares.

ITEM 5. LEGAL PROCEEDINGS.

Occupational Health and Product Liability Litigation.

At March 1, 1980, the Company was a defendant or co-defendant in 2,857 lawsuits brought by approximately 4,000 plaintiffs in which the plaintiffs allege damage to their health as a result of exposure to asbestos fiber either (i) during manufacturing operations in which asbestos fiber was used as a raw material, or (ii) in the course of handling products containing asbestos. During 1979, the Company was named as a defendant in an average of 146 cases per month as compared with an average of 66 cases per month in 1978. As of March 1, 1980, 540 suits against the Company had been disposed of through trial, settlement or other disposition. The average amount paid by or on behalf of the Company in these suits has been less than $15,000 per case, exclusive of legal expenses. As discussed below, the Company believes it has substantial defenses to all of the pending lawsuits and, based upon the results of dispositions to date and insurance coverages maintained by the Company, that the ultimate liability arising out of these cases will not have a material adverse effect on the Company's consolidated financial position or results of operation.

The plaintiffs in these actions fall into one of three categories:

(i) Persons who handled finished products manufactured by Johns-Manville, and, typically, a number of other manufacturers, which contained asbestos and emitted dust when handled;

(ii) Johns-Manville employees who were exposed to asbestos while working at Company facilities which used asbestos fiber as a raw material in the production of finished goods; or

(iii) Employees of other companies who were exposed to asbestos fiber which was purchased directly or indirectly from Johns-Manville and, typically, a number of other suppliers, and used by such companies to produce finished goods.

The majority of the lawsuits have been brought by plaintiffs in the first category, typically insulation workers and other persons who installed or, for other reasons, intermittently handled or otherwise were exposed to asbestos insulation or other products containing asbestos acquired directly or indirectly from the Company and, typically, a number of other suppliers. This category includes a substantial number of plaintiffs who were employed as shipyard workers either directly by the Federal Government or by private shipyards under Federal Government contract and control, and who were exposed to asbestos fiber in the course of construction, renovation and repair of ships, particularly during World War II.

These plaintiffs allege, that the Company and other defendants failed in their duty to warn of the possible hazard of inhaling asbestos fiber contained in dust emanating from such products. The Company believes that the preponderance of these asbestos-related injuries originated from exposure to asbestos dust in occupational settings many years ago. During the periods of alleged injurious exposure, medical and scientific authorities, government officials and companies supplying products containing asbestos fiber believed that the dust levels to which asbestos insulation workers and other persons handling asbestos containing products were exposed did not constitute a hazard to the health of such workers. Accordingly, the Company maintains that there was no basis for product warnings or hazard controls until the results of scientific studies linking pulmonary disease in insulation workers with asbestos exposure were made public in 1964. Thereafter, appropriate warnings were given, including warning labels on packages, instruction booklets and seminars for insulation contractors and ultimately asbestos containing insulation products were discontinued.

The second category of plaintiffs consists of current and former Company employees who were exposed to asbestos fiber in connection with the Company's asbestos mining, milling or manufacturing operations.

With respect to plaintiffs who were or are employees of the Company, it is the Company's position that applicable federal and state workers' compensation statutes provide the exclusive remedy for employment-related injuries. The estimated cost to the Company of workers' compensation awards has been provided for by policies of insurance covering insured locations or by appropriate re-

serves on the books of the Company to cover locations where the Company is self-insured. The Company believes such provisions are adequate to cover all but certain non-material costs which might be imposed against it. In cases brought by current and former employees of the Company in California, Illinois, New Jersey and Texas, some plaintiffs seek to avoid the limitations of this remedy by suing outside of the applicable workers' compensation statutes. Recently, a lower court in California ruled that the plaintiffs were, under certain conditions, entitled to maintain such actions. The Company appealed this decision and the California Court of Appeals reversed the trial court's decision. The California Supreme Court has reviewed the decision upon the plaintiffs' motion. Should the California Supreme Court resolve this issue in favor of the plaintiffs, the Company's California employees would not be limited to the remedy provided by workers' compensation statutes but only if such employees allege and prove actual fraud on the part of the Company. Typically these cases name, as defendants, subsidiaries of the Company. The right of a Company employee to proceed outside workers' compensation against particular subsidiaries of the Company remains unsettled. If this issue is ultimately decided in favor of the employee plaintiffs, there are policies of insurance which the Company believes would adequately cover any liability which might be imposed on the subsidiary corporations.

The third category of plaintiffs consists of employees of other companies which used asbestos fiber in their manufacturing operations supplied by Johns-Manville and, in most cases, other suppliers. With respect to these actions, the Company maintains that the companies to which it sold asbestos fiber had the same limited knowledge as the Company of the potentially harmful effect of excessive exposure to asbestos dust, and that, accordingly, the Company had no duty to advise such companies of risks of which they were already aware. Therefore, the Company maintains that the duty, if any, to warn plaintiffs in this category of the hazards of exposure to airborne dust containing asbestos fiber rested with the plaintiffs' employers. The actions brought by plaintiffs in this category include five multi-plaintiff cases which were originally brought as class actions; however, the trial court refused to certify the suits as class actions. Accordingly, each plaintiff must now prosecute his or her individual cause of action. These cases include suits by over 500 former employees of Raybestos-Manhattan, Inc. against the Company and numerous other defendants wherein 309 plaintiffs seek compensatory damages of $2,000,000 and punitive damages ranging from $1,000,000 to $50,000,000. The remaining plaintiffs seek unspecified damages. One case in this category has proceeded to trial and resulted in a verdict in favor of the Company.

At March 1, 1980, there were included within the 2,857 cases pending a series of indemnity actions and 22 purported class actions which are described in more detail below.

Indemnity Actions.

In five cases, former employees of the Company have commenced legal proceedings against a former contract physician of the Company alleging that the physician failed to advise such employees that they had contracted pulmonary disease associated with their exposure to absestos fiber. In each case, the defendant physician seeks indemnity from the Company against any damages which may be awarded the plaintiffs. Each plaintiff seeks $800,000 in compensatory damages and $1.5 million in punitive damages. In addition, the defendant physician has asserted independent causes of action against the Company requesting a judgment of $12 million in damages, including $10 million in punitive damages, for breach of contract, misrepresentation and emotional distress. The physician was an unsuccessful defendant in an earlier case brought by a former employee on the same grounds, in which a judgment of $383,026 was awarded to the plaintiff. The physician is presently seeking indemnification from the Company against the judgment in this case.

Purported Class Actions.

The Company is a defendant in 22 purported class actions. Eight of these purported class actions are suits brought by plaintiffs in the second category — former employees of the Company who, during the course of their employment in the Company's facilities were exposed to asbestos fiber. These cases include:

(i) Five purported class actions brought on behalf of all present and former employees of the Company's Manville, New Jersey plant wherein the plaintiffs in one case seek $500,000,000 in damages and in the remaining four seek unspecified general, special and punitive damages;

(ii) An action filed on behalf of all present and former employees of the Company's Pittsburg, California facility wherein the plaintiffs seek damages for each member of the purported class in the amount of $1,000,000 for fraud and $10,000,000 punitive and unspecified general damages;

(iii) A second action filed on behalf of all present and former employees of the Company's Pittsburg, California plant wherein the plaintiffs seek unspecified compensatory damages and $10,000,000 in punitive damages; and

(iv) An action on behalf of all persons who were ever employed by the Company at its Denison, Texas facility wherein the plaintiffs seek unspecified damages.

Thirteen of the 22 purported class actions involve the third category of plaintiffs — those who allege injury due to exposure during manufacturing operations to asbestos fiber supplied to their employers by the Company and other defendants. Four of these cases consist of actions on behalf of all present and former employees of the Raybestos-Manhattan, Inc. manufacturing facility at Passaic, New Jersey wherein the plaintiffs seek unspecified compensatory and punitive damages. These cases are similar to other actions brought by former employees of Raybestos-Manhattan, Inc. which were denied certification as class actions. The Company believes that there are no additional facts which would support class action status by these Raybestos-Manhattan employees.

Other purported class actions brought by plaintiffs in this category include the following: an action on behalf of former employees of the Keene Corporation, Valley Forge, Pennsylvania manufacturing facility wherein each plaintiff seeks $2 million in compensatory damages and $2 million in punitive damages; an action on behalf of all former employees of the New York Shipbuilding Corporation located in Camden, New Jersey wherein each plaintiff seeks $1 million in compensatory damages and $1 million in punitive damages; an action on behalf of all current and former employees of the Raybestos-Manhattan, Inc. Manheim, Pennsylvania manufacturing facility wherein each plaintiff seeks $1 million in compensatory damages and $2 million in punitive damages; an action on behalf of all former employees of the Phillip Carey Manufacturing Company, Inc. facility located in Plymouth Meeting, Pennsylvania wherein each plaintiff seeks $2 million in compensatory damages and $2 million in punitive damages; an action filed on behalf of all former employees, their spouses and the personal representatives of deceased employees of the Phillip Carey Manufacturing Company, Inc. manufacturing facility at Plymouth Meeting, Pennsylvania wherein the plaintiffs seek $62 million in compensatory and $62 million in punitive damages; an action filed on behalf of all present and former employees of General Dynamics Corporation and/or Bethlehem Steel Corporation who reside within the state of Massachusetts, all members of their households who may have asbestos-related disease, and all members of the local Union No. 5 of the Industrial Union of Marine and Shipbuilders Workers of America, wherein the plaintiffs seek unspecified compensatory and punitive damages; an action on behalf of all of the employees of an unnamed manufacturing facility located in McLean County, Illinois which used asbestos fiber as a raw material, wherein the plaintiffs seek over $15,000 in compensatory and punitive damages on behalf of all members of the class; an action filed on behalf of those persons residing within one-half mile of such McLean County, Illinois plant, wherein the plaintiffs seek compensatory and punitive damages in excess of $15,000 on behalf of each member of the class; and an action seeking to represent a class of persons who reside in the households of employees who worked at the McLean County, Illinois plant wherein the plaintiffs seek compensatory and punitive damages on behalf of each member of the class in excess of $15,000.

Matters Relating to Insurance Coverage.

The Company has maintained over the years various policies of insurance in differing amounts to protect the Company against the cost of liability for personal injury or property damage. In years prior to 1976, the insurance purchased was typically in layers with the Company retaining a small self-insured (deductible) and purchasing a primary layer of coverage and one or more layers of excess coverage. Subsequent to 1976, for product-related personal injury liability, the Company has retained a larger self-insured (deductible) layer.

The correct interpretation of a number of provisions of the various policies of insurance has been a matter of dispute between the Company and its excess insurers, including its principal excess carrier, and other questions have arisen as to the existence of insurance coverage in the 1934-1946 period. In March, 1980, the Company filed a declaratory judgment action in the Superior Court of the State of California for the City and County of San Francisco seeking to have such questions resolved by that court.

The principal issues involved are interpretations as to the kind of property damages insured against, the dates of injury or occurrence of asbestos-related disease and the satisfaction by the Company of any duty it may have had to disclose to carriers claims for personal injury related to asbestos fiber and asbestos-containing products.

In addition to the above-described case filed in the City and County of San Francisco, the Company is involved in litigation with two of its primary carriers involving coverage with respect to its Canadian insured risks. The issues involved in such litigation are substantially similar to those described above. The Company is also involved in litigation in the United States District Court for the District of Massachusetts over the existence of primary coverage for the years 1934-1946.

A resolution of such issues by the San Francisco court, the courts in Canada and the court in Massachusetts will provide the Company and its insurance carriers with an improved ability to assess the impact of the cost of insured events including asbestos-related personal injury claims. The Company believes that its position with respect to these issues is sound and in accord with the weight of judicial precedents.

The Company further believes that the insurance coverage described above will adequately cover any amount that it may be obligated to pay as a result of the pending asbestos cases with the possible exception in some cases of punitive damages directly alleged against the Company and the direct actions by employees and former employees of the Company. With respect to the punitive damages, it is the Company's opinion that such damages, if any, will not be material to the Company's financial position or results of operations. With respect to the direct actions by employees and former employees of the Company, it is the Company's opinion that applicable workers' compensation statutes provide the exclusive remedy to such plaintiffs.

As a result of its insurance coverage and in view of the Company's successful defense of several cases which have proceeded to trial and the average amount of settlements which have been reached with respect to numerous other plaintiffs, it is the Company's opinion that the ultimate liability arising out of pending asbestos health litigation will not have a material adverse effect on its consolidated financial position or results of operations.

Securities Litigation.

The Company is also a defendant in a purported class action commenced May 4, 1979 by one of its shareholders. The complaint charges violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The plaintiff alleges misrepresentations in, and material omissions from, the Company's published documents with respect to matters relating to the Company's potential liability as a result of asbestos-related health litigation. The class purported to be represented by the plaintiff consists of all persons who bought the Company's common stock between April 1, 1975 and October 15, 1978. The damages claimed are in an unspecified amount representing the loss suffered through purchases of common stock at market prices allegedly inflated by the Company's violations of the securities law, followed by a decline in the market value of the common stock allegedly resulting from disclosure of relevant facts in October, 1978. The Company denies that it has made the alleged misrepresentations and omissions, and believes that it has substantial defenses to these charges.

* * *

While the result of any legal proceeding contains elements of uncertainty, it is the present opinion of the Company that the above-described actions will not have a material adverse effect on the Company's consolidated financial position or results of operations.

* * *

July 31, 1980

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Eagles Nest Room, Old Baldy Club, Saratoga, Wyoming, on Thursday, July 31, 1980, at 10:00 a.m. pursuant to due notice.

* * *

Report on Legal Proceedings -

Messrs. Parker and Von Wald reviewed the organization of the Legal Department and the current status of the Company's legal proceedings including a detailed analysis of the Company's asbestos health litigation.

* * *

LEGAL PRESENTATION
BOARD OF DIRECTORS MEETING
JULY 31, 1980
SARATOGA, WYOMING

- OUTLINE -

GEP I. INTRODUCTION AND OVERVIEW

A. OVERVIEW OF DEPARTMENT ACTIVITIES

B. COMPARISON OF DEPARTMENT COSTS TO SALES

C. INTRODUCTION INTO SIGNIFICANT MATTERS TO BE DISCUSSED FOR BALANCE OF MEETING

1. RESCON LITIGATION
2. ASBESTOS HEALTH LITIGATION
3. INSURANCE LITIGATION

RBVW II. DISCUSSION OF SIGNIFICANT MATTERS

A. GENERAL LITIGATION OVERVIEW

1. 4-1/2 YEAR COMPARISON OF LITIGATION
2. 2-1/2 YEAR COMPARISON OF LITIGATION BY DIVISION

B. RESCON LITIGATION - STATUS; ESTIMATES; MGM; INSURANCE

C. ASBESTOS HEALTH LITIGATION

1. CONTINUED GROWTH IN LITIGATION

A. NEW CASES PER MONTH

JULY = 493 NEW CASES THROUGH 7/28/80 - STAGGERING

- 1980 AVERAGE = 181
- 1979 AVERAGE = 146
- 1978 AVERAGE = 65

B. DISTRIBUTION OF PLAINTIFFS BY TYPE - INSULATION WORKERS, SHIPYARD, ETC.

2. DISPOSITION OF CASES
   - A. TRIAL EXPERIENCE TO DATE - AVERAGE COSTS
   - B. TOTAL DISPOSITION EXPERIENCE TO DATE - COST PER CASE
     - I. 1980 HIGH - EXPLANATION
     - II. J-M % CONSTANT
3. SUMMARY SIGNIFICANT DEVELOPMENTS
   - A. GROWTH IN CASES
   - B. GROWTH IN DISPOSITION COSTS
   - C. TRIALS -
     - I. HOGARD - SHIPYARD CASE
     - II. MCGRATH - FIBER CASE
     - III. J-M AVERAGE COST
   - D. EMPLOYEE CASES - RUDKIN
   - E. COLLATERAL ESTOPPEL - CALIFORNIA
   - F. U.S. GOVERNMENT INVOLVEMENT
   - G. PUNITIVE DAMAGES
   - H. CLASS-ACTIONS
4. PROJECTIONS OF FUTURE - NEW CASES
   - A. STATISTICAL PROJECTION
   - B. INTERNAL DEPARTMENT PROJECTIONS
   - C. SUMMARY OF PROJECTIONS
5. PROJECTIONS OF FUTURE COSTS
   - A. ASSUMPTIONS USED
   - B. ESTIMATE OF FUTURE COSTS FOR CURRENT CASES
   - C. ESTIMATE OF FUTURE COSTS - BASED ON PROJECTIONS OF CASES

OUTLINE
PAGE THREE

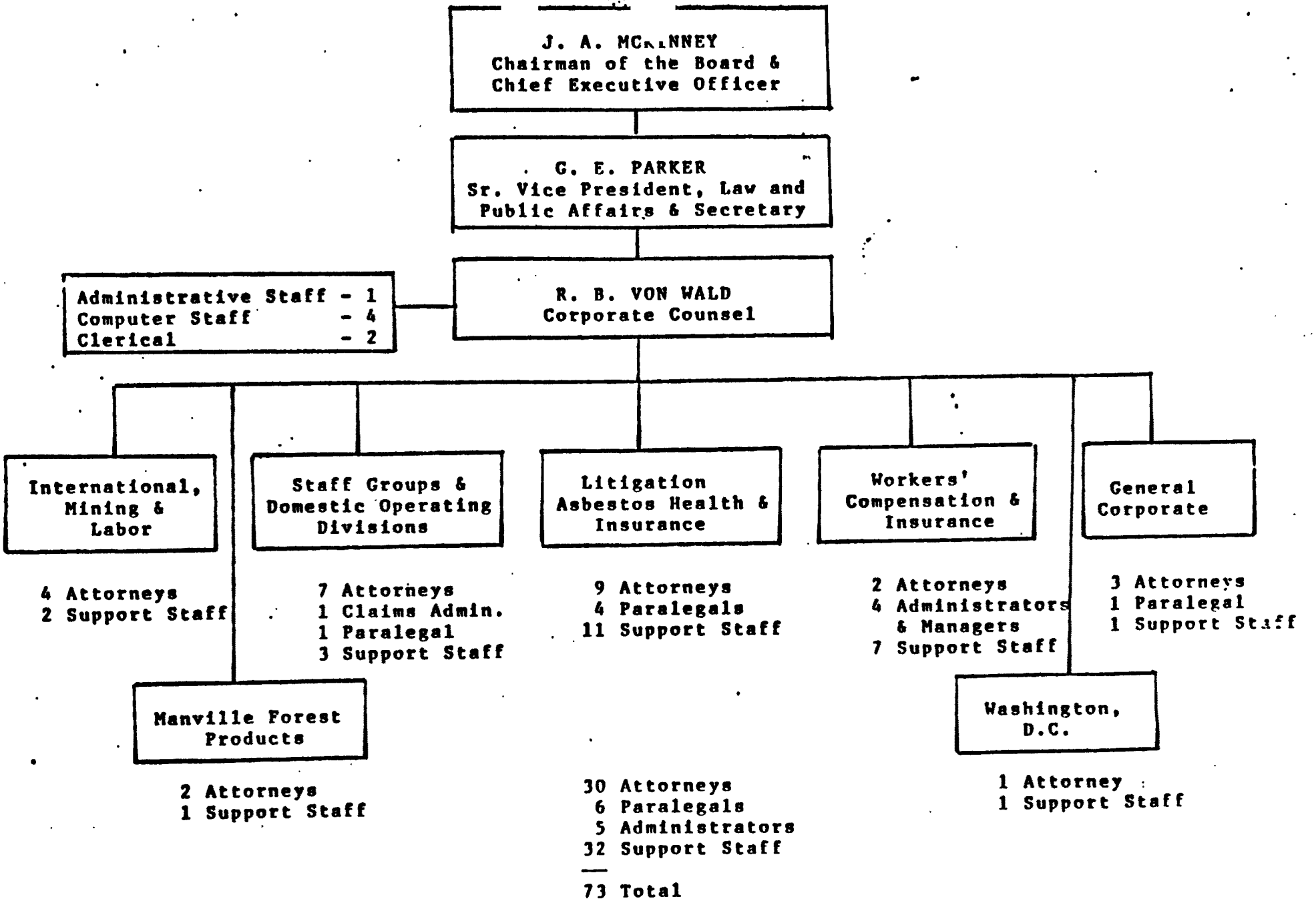
D. INSURANCE LITIGATION

1. DESCRIPTION OF 4 CASES
   - A. TRIAL SCHEDULE
   - B. COVERAGE INVOLVED
2. CHART OF COVERAGE
3. DEFINITIONS
4. THE LITIGATION - WHY?
5. ISSUES IN THE LITIGATION
6. ORGANIZATION TO CONTROL LITIGATION
   - A. MAGNITUDE - GAF EXAMPLE
   - B. PREPARATION - BEST POSSIBLE RESOURCES
7. WHAT IF?
   - A. CONCEALMENT
   - B. EXPOSURE
   - C. MANIFESTATION
   - D. PROPERTY DAMAGE

E. PURCHASE OF FUTURE INSURANCE COVERAGE

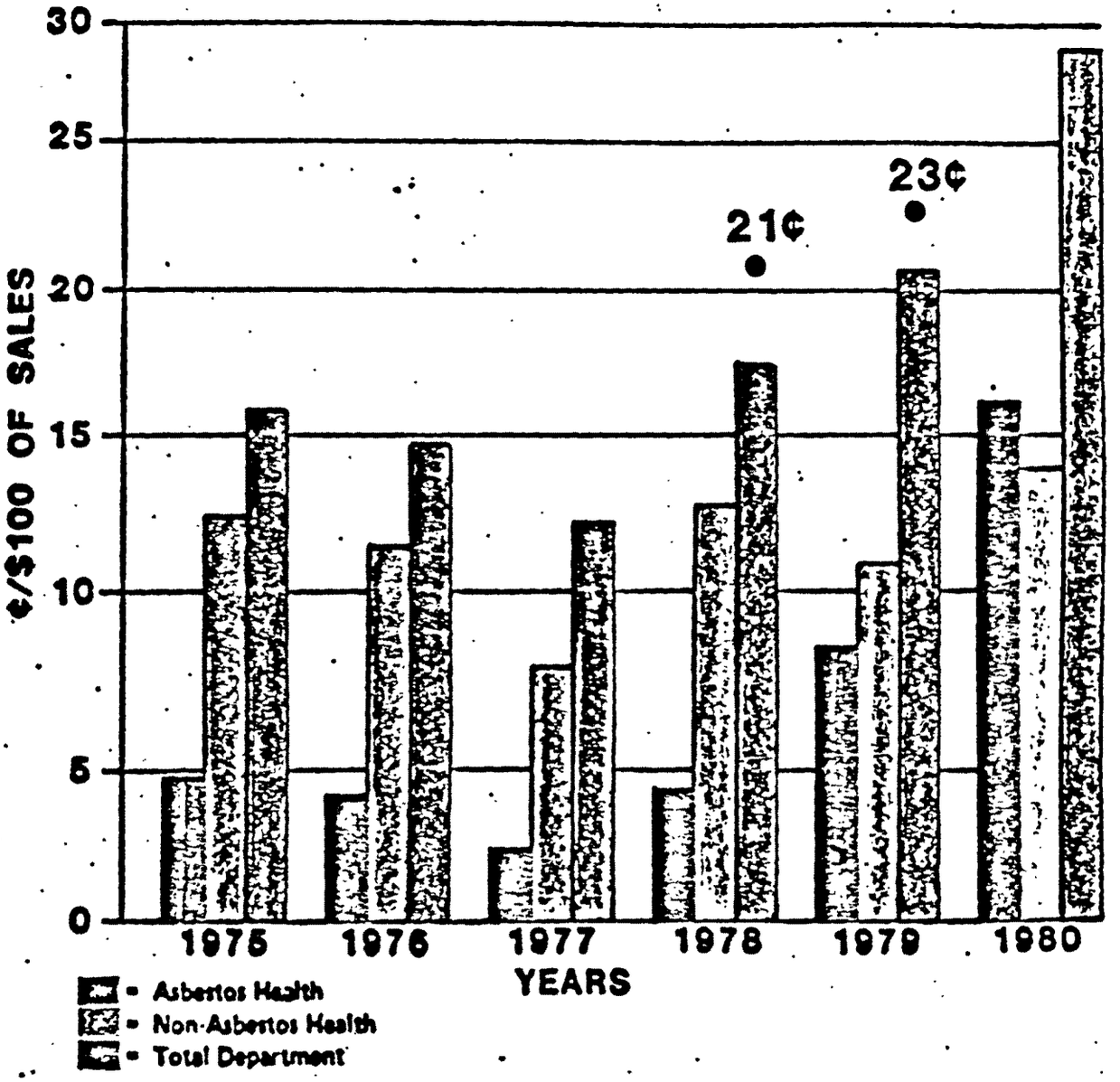
BOARD MEETING
LIST OF TRANSPARENCIES

1. & 2.	G. E. Parker to use Organization slide & Cost/$100 Sales	
3.		Litigation - Balance Sheet
4.		Litigation by Division
5.	Rescon Slide -	Pictures
6.		- Costs & Estimates of Future
7.	Asbestos Health Litigation -	By Month
8.	—	- Distribution of Plaintiffs
9.		- Trial Experience
10.		- Total Dispositon Costs
11.		- Summary of Significant Developments
12.		- Statistical Projections
13.		- Internal Department Projections
14.		- Summary of Projections
15.		- Graph of Actual vs. Projections
16.		- Assumptions Used for 17 & 18
17.		- Estimate of Future Costs - 5,000 plaintiffs
18.		- Estimate of Future Costs - 15,500 & 18,963 plaintiffs
19.	Insurance Litigation	- List of Cases
20.		- Chart of Coverages
21.		- Definitions
22.		- Litigation - Why?
23.		- Issues
24.		- Organization
25.		- What If?
26.	Insurance Generally	- Cost of New Program for Products



Manville's Asbestos Litigation Chronology, 1968 to 1982 (1982), The complete binder: the chronology and its exhib...
ACL Doc 24167 · Page 86 of 258
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asbestosclaims.law/library/24167/86

Expense vs Sales Revenue



Year	Revenues	Expenses Total Dept. (1)		Non-Asbestos Portion (1)		Asbestos Portion Only (1)	
1975	1,117,749	1,790	(16¢)	1,250	(11.1¢)	540	(5¢)
1976	1,291,200	1,945	(15¢)	1,400	(10.8¢)	545	(4¢)
1977	1,479,795	1,674	(11.3¢)	1,300	(8.7¢)	374	(2.6¢)
1978	1,676,589	2,940	(17.5¢)	2,150	(12.8¢)	790	(4.7¢)
1979	1,803,000	3,650	(20.2¢)	1,918	(10.6¢)	1,732	(9.6¢)
1980	1,887,000	5,470	(28.9¢)	2,590	(13.7¢)	2,880	(15.2¢)

(1) Expenses per $100 of revenues.

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LITIGATION

	12/31/76	12/31/77	12/31/78	12/31/79	06/30/80
TOTAL OPEN CASES AS OF DATE	616	988	1447	3100	3772
TYPES OF ACTIVE CASES AS OF DATE					
A. PRODUCT LIABILITY	272	318	169	260	259
B. OCCUPATIONAL HEALTH	247	559	1156	2682	3313
C. NON-PRODUCT RELATED	85	93	103	130	170
D. J-M INITIATED	12	18	19	28	30
COMPLETELY OR PARTIALLY INSURED AS OF DATE	526	866	1327	2980	3479

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LITIGA BY DIVISION

	TOTAL OPEN CASES AS OF 12/31/73		TOTAL OPEN CASES AS OF 12/31/79		TOTAL OPEN CASES AS OF 06/30/80
ASBESTOS HEALTH	1156	(1747/221)	2632	(775/144)	3313
BUILDING SYSTEMS	95	(31/15)	111	(12/6)	117
HOLOPHANE	4	(1/2)	3	(-/-)	3
INDUSTRIAL PRODUCTS	22	(10/5)	27	(5/11)	21
INDUSTRIAL SPECIALTIES	26	(5/3)	28	(3/2)	29
INTERNATIONAL	11	(-/-)	11	(-/-)	11
MANVILLE FOREST PRODUCTS			66	(17/5)	73
PIPE	43	(9/10)	42	(6/-)	43
PRIVATE CARRIAGE	22	(9/3)	28	(3/-)	31
RESIDENTIAL PRODUCTS	32	(30/14)	48	(12/2)	53
MISCELLANEOUS	36	(23/5)	54	(12/3)	63
TOTALS	1447	(1865/278)	3100	(845/173)	3772

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A STOS HE | LITIGATION

NEW CASES PER MONTH

	1976	1977	1978	1979	1980
JANUARY	4	8	50	112	103
FEBRUARY	13	11	14	255	67
MARCH	10	55	63	54	123
APRIL	10	32	61	112	172
MAY	6	18	59	72	139
JUNE	6	22	76	104	171
JULY	10	23	126	234	493
AUGUST	18	28	61	163	
SEPTEMBER	8	24	44	173	
OCTOBER	26	55	37	122	
NOVEMBER	38	35	36	207	
DECEMBER	8	52	152	146	
TOTAL	157	363	779	1754	1268
MONTHLY AVERAGE	13	30	65	146	181

AS OF JULY 23, 1980 - 3746 OPEN CASES

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ASBESTOS HEALTH CASES
DISTRIBUTION OF PLAINTIFFS

YEAR	INSULATION WORKER	SHIPYARD WORKER	FACTORY WORKER	EMPLOYEE CASES	OTHER	TOTAL
PRE-1975	15	0	5	0	4	24
1975	45	3	200	0	10	258
1976	167	29	139	0	17	352
1977	157	170	192	0	15	534
1978	549	239	122	31	241	1182
1979	541	707	49	81	737	2165
1980 (THROUGH 06/30/80)	219	276	40	9	232	776

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TRIAL EXPERIENCE

YEAR	NO. OF CASES	TOTAL AVERAGE VERDICT/CASE	J-M AVERAGE SHARE/CASE
1974	1	$ 79,400	$ 9,750
1975	1	$ 214,000	$ 214,000
1976	2	$ 53,000	$ 5,500
1977	4	$ 15,250	$ 1,700
1978	4	$ 97,500	$ 73,500
1979	6	$ 11,000(A)	$ 8,700(A)
1980	3	$ 83,333(B)	$ 54,200(B)
TOTALS	21	$ 45,700	$ 35,700

(A) EXCLUDES 3 CASES RESULTED IN VERDICTS FOR PLAINTIFF OF $435,000 EACH - OVERTURNED BY TRIAL COURT NOW ON APPEAL.

(B) INCLUDES HOGARD IN LOS ANGELES - ASSUMES $250,000 DISPOSITION.

SUMMARY

21 CASES TRIED

9 VERDICTS FOR PLAINTIFFS

12 VERDICTS FOR DEFENDANTS

OF LAST 17 CASES TRIED - 12 HAVE RESULTED IN VERDICTS FOR DEFENDANTS. OF THOSE 12 VERDICTS, 3 ARE ON APPEAL BY THE PLAINTIFFS.

TRIAL EXPERIENCE

			J-M SHARE
1974			
BOREL	PLTS VERDICT	79,436.24	9,750.00
1975			
KARJALA	PLTS VERDICT	214,079.33	214,079.33
1976			
LOUISVILLE			
TRUST	PLTS VERDICT	90,000.00 [1.]	0
HAMILTON	PLTS VERDICT	16,000.00 [2.]	11,000.00
1977			
STARNES	DEF VERDICT		
DANIELS	DEF VERDICT		
BUMGARDNER	DEF VERDICT		
CONDRAY	PLTS VERDICT	60,693.75	6,743.75

---

1. A COMBINATION OF APPEALS AND CROSS-CLAIMS AGAINST PLAINTIFF'S DECEDANT'S EMPLOYER RESULTED IN NO ACTUAL PAYMENT BY JOHNS-MANVILLE.

2. JOHNS-MANVILLE, SOLE DEFENDANT, APPEALED AND CASE SETTLED ON APPEAL FOR $11,000.

1978

BARNETT	DEF VERDICT (NEW TRIAL GRANTED)[3]		
DISHNER	PLTS VERDICT	750,000.00[4]	275,000.00
CAMPBELL, J.	PLTS VERDICT	75,000.00	9,000.00
CAMPBELL, M.	DEF VERDICT		

1979

CARPENTER	DEF VERDICT		
BJORQUIST	PLTS VERDICT	65,000.00[5]	
OMAN	PLTS VERDICT[6] 435,000 EA.		217,500.00[6]
WALKER			145,000.00[6]
GIBBONS			435,000.00[6]
McGRATH	DEF VERDICT		

---

3. ORDER GRANTING PLAINTIFF NEW TRIAL APPEALED, AND CASE SETTLED ON APPEAL FOR $40,000, JOHNS-MANVILLE SHARE $10,000.

4. JOHNS-MANVILLE, SOLE DEFENDANT, APPEALED AND CASE SETTLED ON APPEAL FOR $275,000.

5. JOHNS-MANVILLE APPEALED, CASE SETTLED ON APPEAL FOR $52,000.

6. JOHNS-MANVILLE MOTION FOR JUDGMENT NOV GRANTED, RESULTING IN JUDGMENT IN FAVOR OF JOHNS-MANVILLE. PLAINTIFFS HAVE APPEALED.

1980

MOONEY	DEF VERDICT [7]		
CAMPBELL, T.	DEF JUDGMENT [8]		
HOGARD	PLTS VERDICT	1,229,491.00 [9]	799,173.00

SUMMARY

21 CASES TRIED
9 VERDICTS OR JUDGMENTS FOR PLAINTIFFS
12 VERDICTS OR JUDGMENTS FOR DEFENDANTS

IN NO CASES HAVE ANY PUNITIVE DAMAGES BEEN AWARDED.

---

7. PLAINTIFFS' MOTION FOR NEW TRIAL GRANTED.

8. DURING THE COURSE OF THE TRIAL PLAINTIFF ELECTED TO VOLUNTARILY DISMISS HIS CASE WITH PREJUDICE.

9. JOHNS-MANVILLE POST TRIAL MOTIONS FOR JUDGMENT NOV ON NEW TRIAL PENDING.

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AVERAGE DISPOSITION COSTS

	NO. OF CASES	TOTAL COST	AVG. COST	TOTAL J-M COST	AVG. J-M COST	J-M %
PRE-1974	7	$ 192,500	$ 27,500	$ 60,998	$ 8,714	32 %
1974	4	120,936	30,234	19,748	4,937	16
1975	15	838,770	55,918	337,980	22,532	40
1976	17	1,153,909	67,877	360,910	21,230	31
1977	52	2,933,736	56,418	643,864	12,382	22
1978	174	10,527,000	60,500	2,400,852	13,798	23
1979	167	6,219,414	37,242	2,570,689	11,033	30
1980 (7 MOS.)	156	14,880,376	95,400	5,562,113	30,950	32

J-M TOTAL AND AVERAGE COST FIGURES COMPUTED ON TOTAL CASES DISPOSED OF BY J-M, WHICH REFLECT SOME PARTIAL SETTLEMENTS INVOLVING NOT ALL DEFENDANTS.

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ASBESTOS HEALTH LITIGATION

SUMMARY OF SIGNIFICANT DEVELOPMENTS

1. RECEIVED 493 NEW CASES IN FIRST 23 DAYS OF JULY.

1980 AVERAGE/MONTH	181
1979 AVERAGE/MONTH	146
1978 AVERAGE/MONTH	65

2. AVERAGE DISPOSITION COSTS/PLAINTIFFS

1980 -	$31,000
1979 -	11,033
1978 -	13,800
1977 -	12,400
1976 -	21,230
1975 -	22,530

3. J-M SHARE OF DISPOSITION COSTS = CONSTANT AT 30%

4. TRIALS IN PAST YEAR - 4 (3 WINS - 1 LOSS)

   A) McGRATH - FIRST PURE FIBER CASE - WON
   B) HOGARD - FIRST LOS ANGELES SHIPYARD CASE - LOST
   C) J-M AVERAGE COST/CASE TRIED = $35,000

5. EMPLOYEE CASES - RUDKIN DECISION

   A) ALLOWS EMPLOYEES TO SUE OUTSIDE WORKERS' COMPENSATION

   B) MUST ALLEGE AND PROVE FRAUD AND AGGRAVATION OF INJURY

6. COLLATERAL ESTOPPEL

A) CALIFORNIA DECISION FOLLOWS ALL OTHER COUNTS (EXCEPT U.S. DISTRICT COURT FOR EASTERN DISTRICT OF TEXAS) IN DENYING COLLATERAL ESTOPPEL ON ISSUE OF STATE OF THE ART (FORESEEABILITY).

7. U.S. GOVERNMENT - INVOLVEMENT

A) GLOVER CASE SEEKING INDEMNITY FROM THE U.S. GOVERNMENT IN SHIPYARD CASE - ON APPEAL TO 4TH CIRCUIT.

B) LOS ANGELES ACTION BY THE COMPANIES SEEKING TO BRING GOVERNMENT INTO SHIPYARD CASES WAS DISMISSED. NOW ON APPEAL TO 9TH CIRCUIT.

8. PUNITIVE DAMAGES

A) NO CHANGE - NONE AWARDED

B) HOGARD - COURT REFUSED TO ALLOW JURY TO CONSIDER THE ISSUE.

C) NO SIGNIFICANT NEW FACTS HAVE BEEN UNCOVERED.

9. CLASS ACTIONS

A) NO CHANGE - NO CLASS HAS YET BEEN CERTIFIED.

STATISTICAL PROJECTIONS

	CASES	PLAINTIFFS
1978(A)	750(779)	1065(1182)
1979(A)	1700(1754)	2225(2165)
1980(B)	3586	4798
1981(B)	7728	10665

(A) PROJECTIONS FOR 1978 AND 1979 MADE IN JANUARY 1978 ✓

(B) PROJECTIONS FOR 1980 AND 1981 MADE IN JUNE 1980

( ) = ACTUAL RESULTS

INTERNAL DEPARTMENT

PROJECTIONS

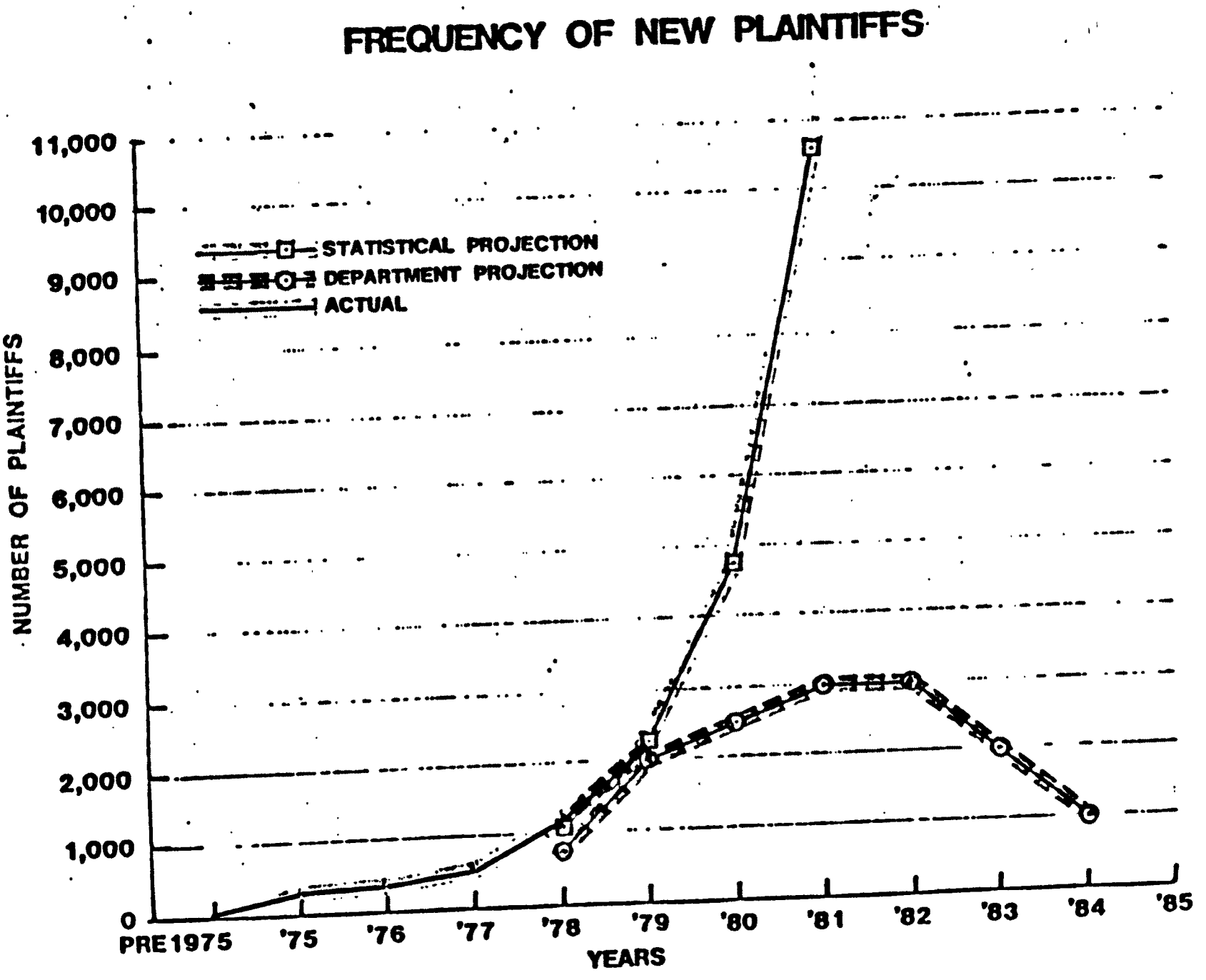
YEARS	CASES	PLAINTIFFS
1978	750 (779)	750 (1182)
1979	1750 (1754)	2000 (2165)
1980	2000	2500
1981	2500	3000
1982	2500	3000
1983	1700	2000
1984	900	1000

( ) = ACTUAL RESULTS

SUMMARY OF PROJECTIONS

(PLAINTIFFS)

YEAR	STATISTICAL PROJECTION	INTERNAL DEPARTMENT	ACTUAL RESULTS
1978	1064	750	1182
1979	2225	2000	2165
1980	4798	2500	
1981	10665	3000	
1982		3000	
1983		2000	
1984		1000	



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CASES RECEIVED BY CALENDAR QUARTER
(AS A % OF TOTAL YEAR)

	1976	1977	1978	1979
1ST QUARTER	21%	24%	16%	24%
2ND QUARTER	13	17	25	17
3RD QUARTER	30	29	30	32
4TH QUARTER	36	31	29	27

AVERAGES

1ST QUARTER	21%
2ND QUARTER	18%
3RD QUARTER	30%
4TH QUARTER	31%

USING THESE AVERAGES ON YEAR TO DATE 1980

RESULTS:

1) BASED ON 2-QUARTERS = 1987 CASES
2) BASED ON 2ND QUARTER ONLY = 2678 CASES

COST PROJECTIONS
ASSUMPTIONS

PROJECTION OF NEW PLAINTIFFS

STATISTICAL METHOD	INTERNAL METHOD
3500 AS OF 1/1/80	3500 AS OF 1/1/80
1980 - 4798	3000
1981 - 10665	3000
1982	3000
1983	2000
1984	1000

COST PER PLAINTIFF

	DEFENSE COSTS	DAMAGES	TOTALS
1980	-	$ 30,000	$ 30,000
1981	$ 7,000	33,000	40,000
1982	10,000	40,000	50,000
1983	12,000	48,000	60,000
1984	15,000	55,000	70,000
1985	15,000	60,000	75,000
1986	15,000	65,000	80,000
1987	15,000	65,000	80,000
1988	15,000	65,000	80,000
1989	15,000	65,000	80,000

DISPOSITION OF PLAINTIFFS

10% IN YEAR 1
20% IN YEAR 2
30% IN YEAR 3
25% IN YEAR 4
15% IN YEAR 5

DISPOSITION COSTS

FOR CURRENT POPULATION OF PLAINTIFFS

(AS OF 7/25/80)

($000)

YEAR	NO. OF PLAINTIFFS	ATTORNEY FEES/CASE	DAMAGES/ CASE	TOTAL COST/YEAR
1981	500	7	33	20,000
1982	1000	10	40	50,000
1983	1500	12	43	90,000
1984	1250	15	55	87,500
1985	750	15	60	56,250
	5000			$303,750

ESTIMATE OF COSTS
BASED ON PROJECTIONS
($000)

STATISTICAL METHOD (18,963 PLAINTIFFS)

YEAR	COST/YEAR	CUMULATIVE COST	INS. PROCEEDS BALANCE
1980	$ 10,500		$ 589,500
1981	47,200	$ 57,700	542,300
1982	153,800	211,500	388,500
1983	266,700	478,200	121,800
1984	344,680	822,789	(222,789)
1985	253,948	1,076,776	(476,737)
1986	127,980	1,204,716	(604,717)

INTERNAL METHOD (15,500 PLAINTIFFS)

1980	$ 10,500		$ 539,500
1981	40,000	$ 50,500	549,500
1982	97,500	148,000	452,000
1983	108,000	256,000	344,000
1984	208,250	464,250	135,750
1985	195,000	659,250	(59,250)
1986	160,000	819,250	(219,250)
1987	100,000	919,250	(319,250)
1988	44,000	963,250	(363,250)
1989	12,000	975,250	(375,250)

INSURANCE LITIGATION

1. BOSTON - COMMERCIAL UNION VS. JOHNS-MANVILLE

   A) FILED: JANUARY 4, 1979
   B) COVERAGE: 1934 - 1948 PRIMARY U.S.
   C) $37 MILLION PLUS COSTS OF DEFENSE

2. MONTREAL - CANADIAN INDEMNITY VS. CANADIAN J-M

   A) FILED: AUGUST 8, 1979
   B) COVERAGE: 1970 - 1976 CANADIAN PRIMARY
   C) $8 MILLION

3. TORONTO - J-M CANADA VS. SUN ALLIANCE

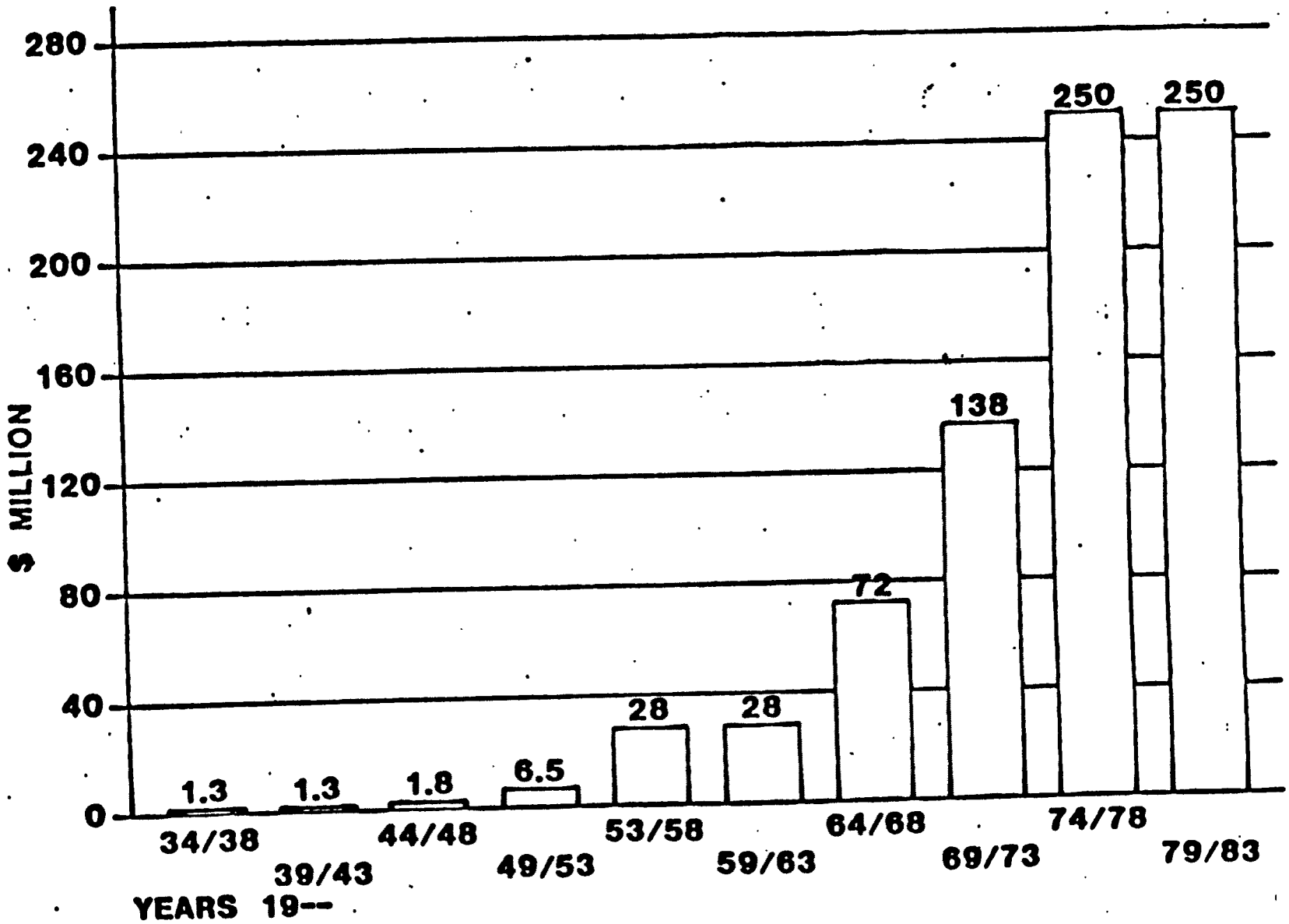
   A) FILED: NOVEMBER 2, 1979
   B) COVERAGE: 1946 - 1970 CANADIAN PRIMARY
   C) $12 MILLION

4. SAN FRANCISCO - JOHNS-MANVILLE VS. THE HOME

   A) FILED: MARCH 31, 1980
   B) COVERAGE: 1934 - ~~PRESENT~~ PRIMARY AND EXCESS - U.S. AND CANADA
   C) ~~$500~~ MILLION PLUS

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Aggregate Products Coverage



INSURANCE LITIGATION

DEFINITIONS

P.D.	PROPERTY DAMAGE CAUSED BY J-M PRODUCTS - i.e. PIPE FAILURE AND CAVE-IN OCCURS.
B.I.	BODILY INJURY CAUSED BY J-M PRODUCTS - PRINCIPALLY ASBESTOS-HEALTH CASES.
MANIFESTATION THEORY	METHOD OF ALLOCATING LOSSES TO INSURANCE POLICIES BASED ON ALLOCATING ALL OF A PARTICULAR LOSS TO THE YEAR IN WHICH THE INJURY (DISEASE) MANIFESTS ITSELF (USUALLY BY DIAGNOSIS).
EXPOSURE THEORY	METHOD OF ALLOCATING LOSSES TO INSURANCE POLICIES BASED ON SPREADING THE LOSS OVER ALL YEARS IN WHICH THE INJURED PARTY WAS EXPOSED TO ASBESTOS FIBER. THEORY = EACH EXPOSURE IS AN INJURY AND EACH IS SUBJECT TO COVERAGE.

INSURANCE LITIGATION

WHY?

1. J-M HAS HAD DISPUTES OVER COVERAGE AND POLICY INTERPRETATIONS
   - BOTH PROPERTY DAMAGE
     AND,
   - BODILY INJURY

2. THE GROWTH OF ASBESTOS HEALTH LITIGATION AND PRESSURE ON CARRIERS TO REDUCE LOSSES

3. OTHER SUITS PENDING COVERING ASBESTOS ISSUE -
   - GAF (LOS ANGELES)
   - FIBREBOARD (LOS ANGELES)
   - ARMSTRONG CORK (LOS ANGELES)
   - KEENE (WASHINGTON, D.C.)
   - CELOTEX (FLORIDA)
   - EAGLE PITCHER (BOSTON)

4. DESIRE TO AVOID MUTIPLE SUITS OVER THE SAME ISSUES IN DIFFERENT JURISDICTIONS.
   - HOOKER CHEMICAL PROBLEM

5. DESIRE TO CONTROL THE JURISDICTION IN WHICH THE MATTERS ARE CONSIDERED

6. DESIRE TO CONTROL THE CASE - BEING THE PLAINTIFF NOT THE DEFENDANT

ISSUES IN INSURANCE LITIGATION

1. GENERAL

   A) CONCEALMENT

   B) DUTY TO DEFEND

2. BODILY INJURY AREA

   A) EXPOSURE VS. MANIFESTATION

   B) APPLICATION OF DEDUCTIBLES

3. PROPERTY DAMAGE AREA

   A) DEFINITION OF PROPERTY DAMAGE - WHEN DOES COVERAGE EXIST?

      i) RESCON

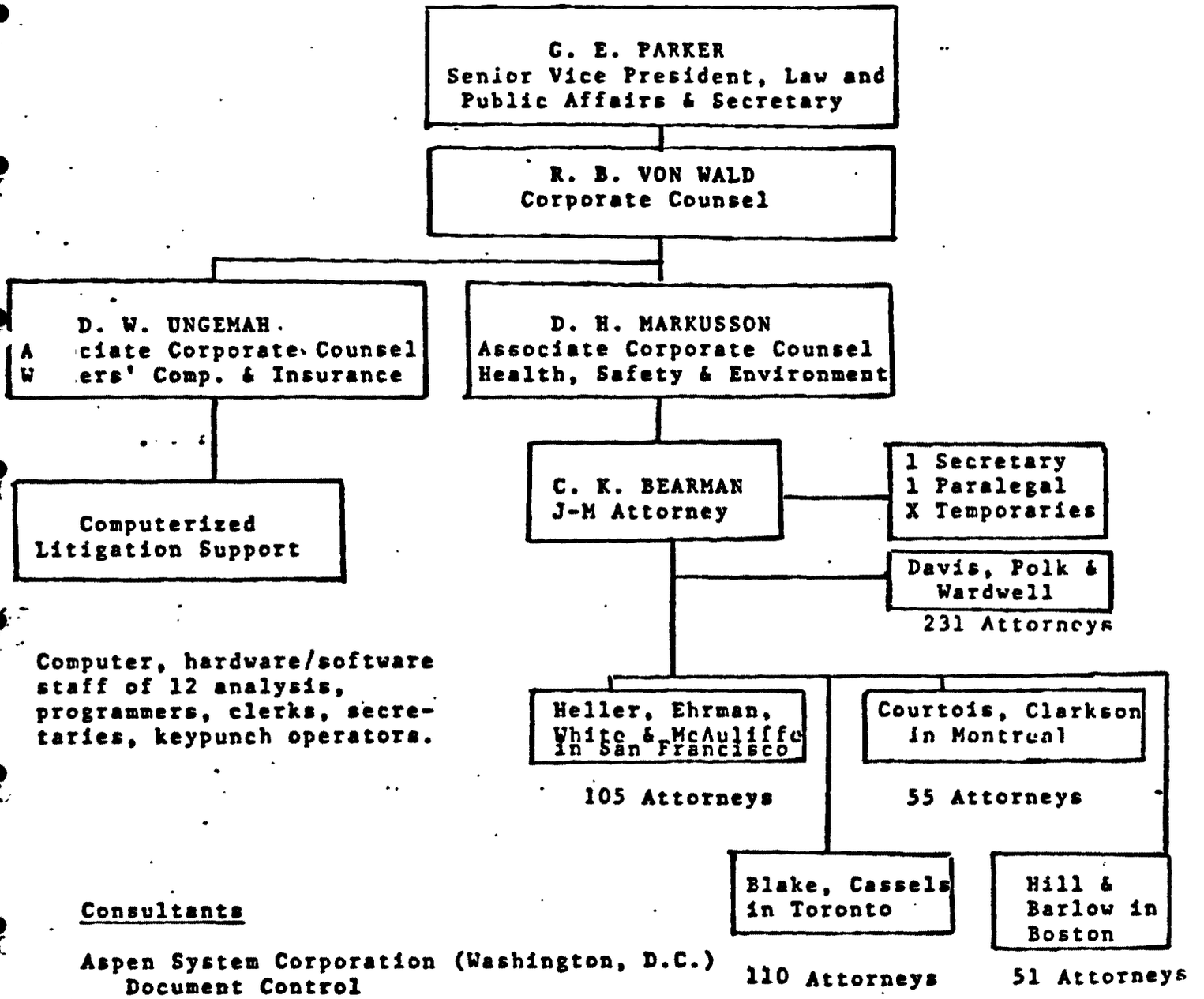
      ii) PIPE

      iii) BUILT-UP ROOFING

   B) APPLICATION OF DEDUCTIBLES

   C) ALLOCATION OF LOSSES TO PROPER YEARS

INSURANCE ORGANIZATION



Consultants

Aspen System Corporation (Washington, D.C.)
Document Control

Professional Software Corporation (Phoenix)
Interrogatory Control

Holland, Shipes & Reams (Atlanta)
Word Processing & Micrographics design

Risk Treatment Services (Denver)
Insurance Consultants

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INSURANCE LITIGATION
WHAT IF?

1. WE LOSE <u>CONCEALMENT ISSUE</u>:
   - A. DEPENDS ON WHEN CONCEALMENT AROSE AND HOW LONG IT LASTED (HOW LONG BEFORE INSURANCE COMPANIES KNEW).
     - CERTAINLY 1964 - ON (SELIKOFF) = KNOWLEDGE
     - THUS WORST CASE - WE LOSE 1934 - 1964
     - OR $67 MILLION COVERAGE
   - B. MOST LIKELY - NO CONCEALMENT - POSSIBILITY OF LOSING 1 - 3 YEARS OF COVERAGE

2. IF <u>MANIFESTATION THEORY</u>:

A. WE LOSE COVERAGE PRE-1974 =	- $276 MILLION
B. WE GAIN 1978 - 1983 COVERAGE =	+ 250 MILLION
C. TOTAL COVERAGE AVAILABLE =	$500 MILLION
LESS SELF-INSURED AMOUNTS	- 69 MILLION
	$431 MILLION

   - D. PLUS CANADA $?

3. IF <u>EXPOSURE THEORY</u> (ASSUME NO EXPOSURE BEYOND 1978)

A. TOTAL COVERAGE AVAILABLE =	$527 MILLION
LESS SELF-INSURED AMOUNTS	20 MILLION
	$507 MILLION

   - B. PLUS CANADA $?

4. IF WE LOSE <u>PROPERTY DAMAGE ISSUES</u>:
   - A. LOSE RESCON, SUPER TEMP-TITE, BUILT-UP ROOFING, ETC. - CURRENT ESTIMATE OF LOST COVERAGE = $40 MILLION
   - B. FUTURE IMPACT - UNKNOWN

RE-NEGOTIATED PRODUCTS INSURANCE PROGRAM
$20,500,000 COVERAGE PER YEAR

POLICY YEAR	OLD PROGRAM (A)	NEW PROGRAM	SELF-INSURED LEVELS
7/1/80	$ 1,690,000	$ 2,357,000	12.5 (B) / 3.5 (C)
7/1/81	$ 2,008,000	$ 1,911,000	13.5/3.5
7/1/82	$ 2,300,000	$ 1,880,000	15.0/3.5
	$ 5,998,000	$ 6,148,000	
		$157,200	

(A) CANCELLED BY LONDON EFFECTIVE 5/1/80.

(B) SELF-INSURED LEVEL FOR ASBESTOS-RELATED INJURY.

(C) SELF-INSURED LEVEL FOR NON-ASBESTOS-RELATED DAMAGE.

ATTEMPTING TO FILL OUT COVERAGES UP TO AT LEAST $50,000,000 PER YEAR TOTAL.

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, 1980 — 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	80217
(Address of principal executive offices)	(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
Cumulative Preferred Stock ($5.40 Series) ($1.00 par value)	New York Stock Exchange
7.85% Sinking Fund Debentures Due 2004	New York Stock Exchange
9.70% Notes Due 1985	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 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 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. 22,881,037 shares. The aggregate market value of the voting stock held by nonaffiliates of the registrant on February 6, 1981 was $538,000,000.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents or portions thereof filed with the Securities and Exchange Commission are incorporated herein by reference:

(1) The Company's 1981 proxy statement filed pursuant to Regulation 14A is incorporated by reference into Parts I and III of this report.

(2) The Company's 1980 Annual Report to Shareholders for fiscal year ended December 31, 1980 is incorporated by reference into Parts I and II of this report.

ITEM 3. LEGAL PROCEEDINGS

Occupational Health and Product Liability Litigation.

At March 4, 1981, the Company was a defendant or co-defendant in approximately 5,800 lawsuits brought by approximately 10,200 plaintiffs in which the plaintiffs allege damage to their health as a result of exposure to asbestos fiber either (i) during manufacturing operations in which asbestos fiber was used as a raw material, or (ii) in the course of handling products containing asbestos.

During 1980, the Company received an average of 222 new cases brought by an average of 387 new plaintiffs per month, which represents a significant increase from the 1979 average of 141 new cases and 196 new plaintiffs per month and the 1978 average of 65 new cases and 83 new plaintiffs per month. Prior to 1980, a total of 502 suits against the Company were disposed of through trial, settlement or other disposition. From January 1, 1980 through December 31, 1980, a total of 402 claims were disposed of, with the Company's share of disposition costs being an average of $23,300 per claim (excluding legal expenses). This average is higher than the Company's historical average of approximately $13,000 per plaintiff for all years prior to 1980, resulting in an increase in the overall average disposition cost per plaintiff through 1980 to approximately $17,500. These disposition costs do not include the results of the *Hogard* case tried in Los Angeles. This is the first shipyard worker case to proceed to trial in Southern California (where there are in excess of 1,700 cases currently pending). The jury awarded the plaintiff $1,200,000 as damages against the Company and one other defendant. Based on post-trial motions, the Court ordered a new trial on damages. This case is now on appeal.

As discussed below, the Company believes that it has substantial defenses to the asbestos/health claims. However, the recent growth in the number of asbestos cases being filed against the Company and the rise in the level of disposition costs, have increased uncertainties concerning the future volume of asbestos cases and associated disposition costs of present and future cases. Because of these uncertainties, the eventual outcome of this litigation cannot be predicted at this time nor can the ultimate liability to the Company, after application of available insurance, be estimated with any degree of reliability. As no reasonable estimate of loss can be made, no liability has been recorded in the financial statements. Depending on the manner and time in which these uncertainties are resolved, the costs to the Company could be substantial. Additionally, as discussed below, the Company is involved in litigation concerning insurance coverage of asbestos/health claims, which as with any litigation, also involves uncertainties.

The plaintiffs in these pending asbestos/health cases typically fall into one of three categories:

(i) Persons who handled finished products manufactured by the Company and, typically, a number of other manufacturers, which contained asbestos and emitted dust when handled;

(ii) Company employees who were exposed to asbestos while working at Company facilities where asbestos fiber was used as a raw material in the production of finished goods; or

(iii) Employees of other companies who were exposed to asbestos fiber which was purchased directly or indirectly from the Company and, typically, a number of other suppliers, and used by such companies to produce finished goods.

The majority of the lawsuits have been brought by plaintiffs in the first category, typically insulation workers and other persons who installed or, for other reasons, intermittently handled or otherwise were exposed to asbestos insulation or other products containing asbestos acquired directly or indirectly from the Company and, in most cases, a number of other suppliers. The majority of plaintiffs in this category were employed as shipyard workers either directly by the Federal Government or by private shipyards under Federal Government contract and control, and were exposed to asbestos fiber in the course of construction, renovation and repair of ships, particularly during World War II. The litigation has

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disclosed that disease following such shipyard exposure resulted from poor working conditions in the shipyards over which the Company had no control.

This first category of plaintiffs allege that the Company and the other defendants failed in their duty to warn of the possible hazards associated with inhalation of asbestos fiber contained in dust emanating from such products. The Company believes that the preponderance of these asbestos-related injuries originated from exposure to asbestos dust in occupational settings many years ago. During the periods of alleged injurious exposure, medical and scientific authorities, government officials and companies supplying products containing asbestos fiber believed that the dust levels to which asbestos insulation workers and other persons handling asbestos-containing products were exposed did not constitute a hazard to the health of such workers. Accordingly, the Company maintains that there was no basis for product warnings or hazard controls until the results of scientific studies linking pulmonary disease in insulation workers with asbestos exposure were made public in 1964. Thereafter, appropriate warnings were given, including warning labels on packages, instruction booklets and seminars for insulation contractors and, ultimately, asbestos-containing insulation products were discontinued by the Company.

The second category of plaintiffs consists of current and former Company employees who were exposed to asbestos fiber in connection with the Company's asbestos mining, milling or manufacturing operations. With respect to these plaintiffs, it is the Company's position that applicable federal and state workers' compensation statutes provide the exclusive remedy for employment-related injuries. In cases brought by current and former employees of the Company in California, Illinois, Louisiana, New Jersey and Texas, some plaintiffs seek to avoid the limitations of this remedy by suing outside of the applicable workers' compensation statutes. Recently, the California Supreme Court ruled that in California such plaintiffs may, under certain conditions, be entitled to maintain such actions. In that decision, the Court held that in situations where an employee alleges that (1) his employer fraudulently concealed from the employee his diseases or injury and the cause of such disease or injury and (2) such fraud or concealment resulted in aggravation of harm to the employee, then the employee has the right to maintain an action directly against the employer and not be limited to the remedy provided by the applicable workers' compensation statutes. The immediate effect of this decision will be to allow the Company's California employees to maintain actions directly against the Company under these limited conditions. Recovery by the employees will require proof of such fraud and aggravation. The Company believes that it has substantial defenses to such allegations of fraud and aggravation. The Louisiana cases are, in part, predicated upon Louisiana statutes permitting so-called executive liability actions, which have been brought against several past and present employees of the Company. The Company believes it has substantial defenses to these cases. Typically suits in this second category also name, as defendants, subsidiaries of the Company. The right of a Company employee to proceed outside workers' compensation statutes against particular subsidiaries of the Company remains unsettled.

The third category of plaintiffs consists of employees of other companies which used in their manufacturing operations asbestos fiber supplied by Johns-Manville and, in most cases, other suppliers. With respect to these actions, the Company maintains that the companies to which it sold asbestos fiber had the same limited knowledge as the Company of the potentially harmful effects of excessive exposure to asbestos dust, and that, accordingly, the Company had no duty to advise such companies of risks of which they were already aware. Therefore, the Company maintains that the duty, if any, to warn of or protect against any hazards of exposure to airborne dust containing asbestos fiber rested with the plaintiffs' employers. The several actions brought by plaintiffs in this category include suits by approximately 623 former employees of Raybestos-Manhattan, Inc. against the Company and numerous other defendants. This is the largest single group of cases in this category. A conditional settlement of these cases is presently pending in the United States District Court for the District of New Jersey.

It is the Company's belief that the asbestos/health claims and lawsuits pending and which may arise in the future for the most part relate to events and conditions existing in prior years. More specifically, the Company believes, based on the following factors and assumptions, that since at least the beginning of 1978, no significant new potential liabilities have been created for the Company with

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respect to diseases known to be related to asbestos and arising from asbestos fiber and/or asbestos-containing products manufactured or sold by the Company:

- That since the mid-1970's, the Company has sold asbestos fiber in the United States only in pressure pack, block form or other similar condition and not in a loose form;

- That by 1973, the Company had ceased domestic manufacture of thermal insulation products containing asbestos which are the products principally involved in disease claims made against the Company;

- That the Occupational Safety and Health Administration established a maximum exposure standard for asbestos fiber of 5 fibers per cubic centimeter in 1972 and lowered that standard to 2 fibers per cubic centimeter in 1976. It is assumed that compliance with such standards in the work place was achieved within a reasonable time following such promulgation and is continuing to date; and

- With respect to any use not complying with the OSHA asbestos standards, the Company's defensive posture with respect to claims arising out of such environments will be significantly enhanced.

At March 4, 1981, there were included within the 5,800 cases pending a series of indemnity actions and 11 purported class actions which are described in more detail below.

Indemnity Actions.

In sixty-five cases, former employees of the Company have commenced legal proceedings against a former contract physician of the Company alleging that the physician failed to advise such employees that they had contracted pulmonary disease associated with their exposure to asbestos fiber. In each case, the defendant physician seeks indemnity from the Company against any damages which may be awarded the plaintiffs and, in addition, seeks general damages of $2,000,000 and punitive damages of $10,000,000. Each plaintiff seeks $800,000 in compensatory damages and $1.5 million in punitive damages, for breach of contract, misrepresentation and emotional distress. The physician was an unsuccessful defendant in an earlier case brought by a former employee on the same grounds, in which a judgment of $383,026 was awarded to the plaintiff. The physician is presently seeking indemnification from the Company against the judgment in this case.

There are also two cases pending in which manufacturers of products containing asbestos seek indemnification from the Company for sums paid by these manufacturers in separate cases on the grounds that the Company supplied asbestos which was incorporated into their products. The Company believes it has substantial defenses to these actions.

Purported Class Actions.

The Company is a defendant in 11 purported class actions. Eight of these purported class actions are suits brought by plaintiffs in the second category described above—present and former employees of the Company who during the course of their employment in the Company's facilities were exposed to asbestos fiber. These employee and former-employee cases include:

(i) Six purported class actions brought on behalf of all present and former employees of the Company's Manville, New Jersey plant wherein the plaintiffs in one case each seek $500,000,000 in damages and in the remaining five the plaintiffs seek unspecified general, special and punitive damages;

(ii) An action filed on behalf of all present and former employees of the Company's Pittsburg, California facility wherein the plaintiffs seek damages for each member of the purported class in the amount of $1,000,000 for fraud and $10,000,000 punitive and unspecified general damages; and

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(iii) A second action filed on behalf of all present and former employees of the Company's Pittsburg, California plant wherein the plaintiffs each seek unspecified compensatory damages and $10,000,000 in punitive damages.

One of the 11 purported class actions involves the third category of plaintiffs—those who allege injury due to exposure during manufacturing operations to asbestos fiber supplied to their employers by the Company and other defendants. The plaintiffs in this case each seek unspecified compensatory and punitive damages.

The two remaining purported class actions are as follows: (1) an action brought by the residents near the Company's Manville, New Jersey facility seeking unspecified damages allegedly resulting from harmful exposure to asbestos fiber allegedly discharged from the plant into the atmosphere; and (2) an action brought on behalf of Louisiana workers in the boilermaker or insulation trades in the maritime, shipbuilding or repairing industry and seeking $100,000,000 in damages.

Matters Relating to Insurance Coverage.

The Company has maintained over the years various policies of insurance in differing amounts to protect the Company against the cost of liability for product-related personal injury or property damage. In years prior to 1976, the insurance purchased was typically in layers with the Company retaining a small self-insured deductible and purchasing a primary layer of coverage and one or more layers of excess coverage. Subsequent to 1976, for product-related liability, the Company has retained a larger self-insured (deductible) layer.

The correct interpretation of a number of provisions of the various policies of insurance has been a matter of dispute between the Company and its primary and excess insurers and other questions have arisen as to the existence of insurance coverage in the 1934-1948 period. On March 31, 1980, the Company filed a declaratory judgment action in the Superior Court of the State of California for the City and County of San Francisco seeking to have such questions resolved by that court. All of the Company's domestic carriers (both primary and excess) and two of the Company's Canadian primary insurers are presently named as defendants in the California action.

The San Francisco action involves certain issues which are also being litigated in separate proceedings pending in Canada and Massachusetts. The Massachusetts action filed in the United States District Court, concerns the existence of insurance coverage and all of the insurance coverage issues described in the following paragraph for the limited period 1934-48. With respect to coverage of Canadian entities, the California court previously stayed proceedings against one of the Company's Canadian insurers due to the existence of a separate Canadian action brought in Canada by that insurer. However, the court has recently granted a motion to intervene filed by one of the Company's domestic primary carriers and has allowed this carrier to proceed against the previously excluded Canadian carrier.

The principal issues involved in the domestic actions are interpretations as to the kind of property damages insured against, the dates of occurrence of property damage, the dates of occurrence of asbestos-related disease, the satisfaction by the Company of any duty it may have had to disclose to carriers claims for personal injury related to asbestos fiber and asbestos-containing products, and the method of allocation of coverage to the asbestos/health claims.

The Company is in litigation in Canada with one of its primary carriers concerning coverage of its Canadian entities. The issue involved in this suit is limited to the Company's duty to disclose to that carrier any knowledge it may have had with respect to the harmful effects of excessive exposure to asbestos fiber and dust from asbestos-containing products.

A resolution of such issues by the San Francisco court, the court in Canada and the court in Massachusetts will provide the Company and its insurance carriers with an improved ability to assess the impact of the cost of insured events including asbestos-related personal injury claims. While any

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litigation involves uncertainties the Company believes that its position with respect to these issues is sound and in accord with the weight of judicial precedents.

Securities Litigation

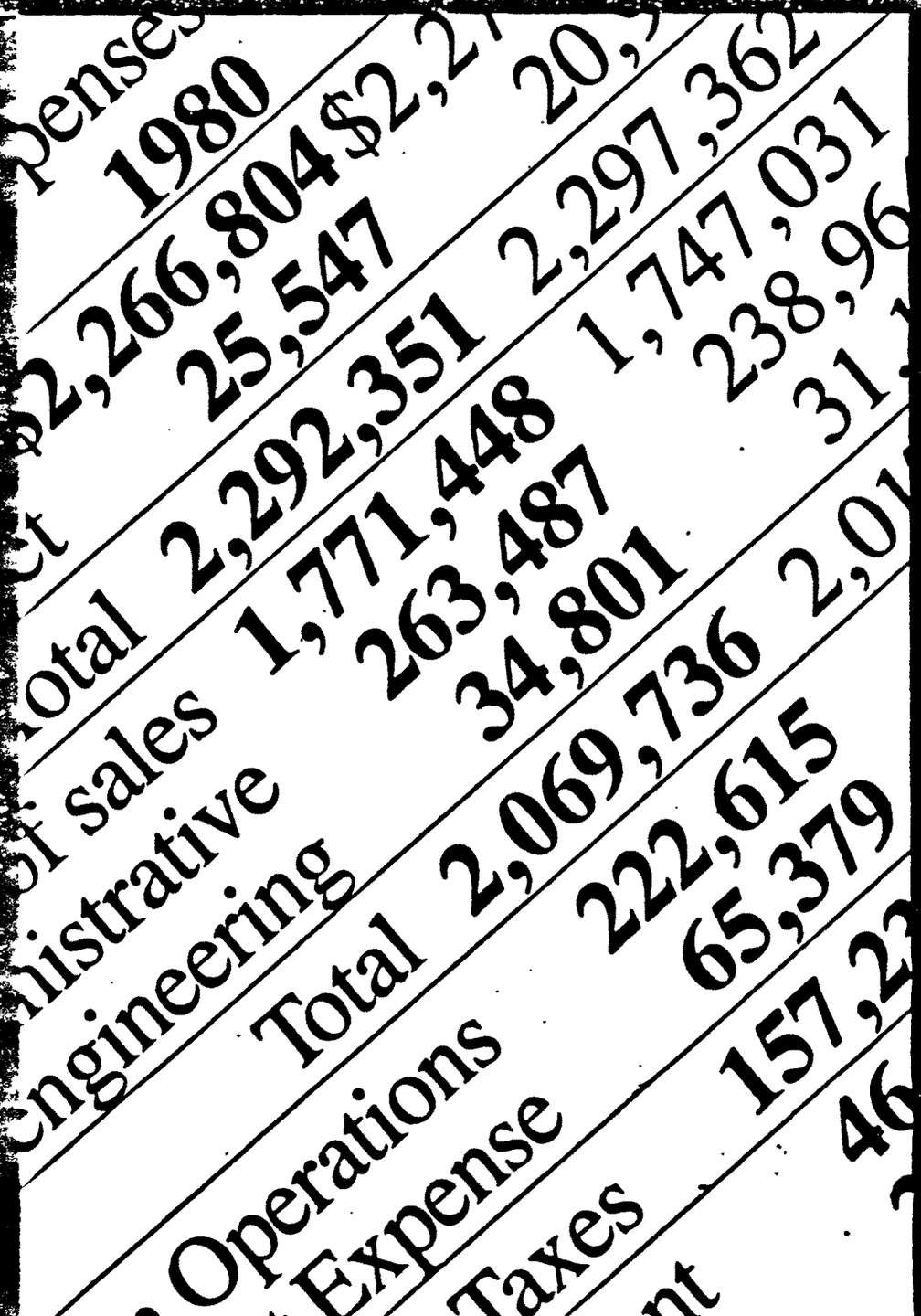
The Company is also a defendant in a purported class action commenced May 4, 1979 by one of its shareholders. The complaint charges violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The plaintiff alleges misrepresentations in, and material omissions from, the Company's published documents with respect to matters relating to the Company's potential liability as a result of asbestos-related health litigation. The class purported to be represented by the plaintiff consists of all persons who bought the Company's common stock between April 1, 1975 and October 15, 1978. The damages claimed are in an unspecified amount representing the loss suffered through purchases of common stock at market prices allegedly inflated by the Company's violations of the securities law, followed by a decline in the market value of the common stock allegedly resulting from disclosure of relevant facts in October, 1978. The Company denies that it has made the alleged misrepresentations and omissions, and believes that it has substantial defenses to these charges.

* * *

While the result of any legal proceeding contains elements of uncertainty, it is the present opinion of the Company that the above-described antitrust actions will not have a material adverse effect on the Company's consolidated financial position or results of operations.

* * *

Johns-Manville Corporation
Annual Report 1980



JM

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Dear Shareholder:

This year Johns-Manville has taken a new approach to our Annual Report to Shareholders. Our new approach is to provide our shareholders with a shorter form report which contains only that information that is most meaningful to investors. This will result in reduced costs to the Corporation and, ultimately, to the shareholders while at the same time improving the quality of our disclosure package. In addition, our quarterly reports will be expanded to provide you promptly with information on developments of importance. Please let us know what you think about our 1980 Annual Report.

Revenues for 1980 were approximately the same as 1979, while net earnings dropped. The downturn in the domestic economy had a very severe impact on those businesses related to the construction industry. Particularly, high mortgage and lending rates and high rates of inflation resulted in a dramatic decline in the level of construction activity and, accordingly, demand for many J-M products. In addition, the Company's forest products businesses did not operate at expected performance levels. We have instituted a number of programs designed to optimize our earnings potential in a down economy, and we feel that we are well positioned to take advantage of the anticipated improvement in the economy.

The continuous increase in the number of asbestos/health related lawsuits filed against the Company and growth in the average disposition costs of these cases have given rise to an inability to predict the ultimate volume of litigation and associated disposition costs. Accordingly, J-M's independent accountants have qualified their report on J-M's 1979 and 1980 consolidated financial position. Note 5 to the consolidated financial statements contains an explanation of this situation.

In spite of the uncertainties created by this growth in litigation, we continue to be optimistic about our ability to deal with this problem. Since this litigation began, we have won 19 of the 28 cases that have proceeded through trial. Even more indicative of the quality of our legal defenses is a victory rate of 18 of the last 24 cases tried. You can be assured that we will continue to be aggressive in asserting our defenses.



John A. McKinney
Chairman of the Board and
Chief Executive Officer

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Johns-Manville Corporation

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

1980 vs. 1979

Net sales in 1980 of $2.27 billion were $10 million lower than 1979 net sales. Reduced demand in housing and other construction markets, brought on by the recession and high interest rates in the U.S., was principally responsible for the decrease. The volume of shipments of U.S. manufactured products was 15% lower than in the previous year. Despite this weakness in most of the Company's end-markets, selling prices in the U.S. averaged 11% higher in 1980 than in 1979 and rose during 1980 at a faster rate than costs. The volume of shipments of Canadian subsidiaries also fell during 1980 by about 6% from 1979 levels, with much of the decline resulting from lower asbestos fiber shipments. In contrast, net sales by overseas subsidiaries were strong during most of the year but gradually weakened as European economies began to slip into recession. However, for all of 1980, net sales by overseas subsidiaries were 18% higher than for 1979.

Lower demand in the U.S. combined with a program of carefully monitoring inventory levels resulted in substantial production cutbacks in many U.S. manufacturing operations. The fixed costs associated with this underutilized capacity adversely affected the ratio of cost of sales to net sales, which rose 1.4 percentage points to 78.1%.

The 1.3 percentage point rise in the effective income tax rate to 48.7% was due principally to higher taxes on U.S. foreign source income and to the lower level of U.S. earnings.

Net earnings decreased to $80.6 million from the $114.6 million earned in 1979. Included in 1980 are net earnings of $6.4 million relating to the liquidation of LIFO inventories.

Continuing high interest rates and uncertainties concerning the extent and timing of the economic recovery in the U.S. inhibit a substantial near-term recovery from the reduced operating levels experienced in 1980. Consequently, profit margins in many product lines are likely to remain below historical levels over at least the first half of 1981, although some improvement is expected for the full year.

1979 vs. 1978

Net sales reached $2.28 billion in 1979, including $497 million in net sales from Olinkraft (subsequently renamed Manville Forest Products), whose operating results were consolidated with the other operations of the Company effective January 1, 1979 (see Note 2, "Acquisition of Olinkraft, Inc."). Net sales were $1.65 billion in 1978.

Excluding the effect of Manville Forest Products, the Company's net sales rose by only 7.9%. Strong sales growth by overseas subsidiaries and of asbestos fiber were offset by the weak overall performance of U.S. and Canadian manufacturing operations. Net sales of U.S. manufactured products (excluding Manville Forest Products) exceeded year earlier levels by roughly 5%, resulting from a 2.5% decline in the volume of shipments coupled with an 8% increase in average selling prices. The continued strengthening of most European operations enabled the Company's overseas businesses to register an impressive 27% sales increase, not including the $72 million of net sales from the Manville Forest Products Brazilian subsidiary. In Canada, where sales rose 9%, a virtually flat volume of shipments for manufactured products on which only moderate price increases were realized mitigated much of the effect of higher asbestos fiber sales.

The ratio of cost of sales to net sales rose 4.5 percentage points from 72.2% to 76.7%. Excluding Manville Forest Products, the cost ratio increased 3 percentage points. This deterioration in the gross profit margin was largely the result of competitive pressures which prevented instituting sufficient price increases to offset higher labor and raw material costs, particularly for energy-related materials. The cost ratio was further negatively impacted by start-up costs associated with the expansion of the fiber glass, paper products and roof insulation operations and by a lower percentage capacity utilization during 1979 in the fiber glass insulation and pipe businesses.

Interest on borrowings to finance the Manville Forest Products acquisition and on debt assumed in that acquisition accounted for most of the roughly $40 million increase in interest expense.

The effective income tax rate was 47.4% in 1979 versus 48.9% in 1978. The primary reasons for the reduction were the 1979 change in the U.S. statutory rate from 48% to 46% and the consolidation in 1979 of Manville Forest Products operating results, which had a lower effective income tax rate than most of the Company's other operations.

Net earnings were $114.6 million, compared to the record $121.6 million achieved in 1978. Net earnings were reduced by $4.4 million resulting from a provision for the disposition of the Company's irrigation and sprinkler business.

Capital Resources and Liquidity

The Company defines liquidity as its ability to generate sufficient cash flow to meet all of its obligations and commitments. In addition, considerations of liquidity include the ability to obtain bank credit lines and other types of debt and equity financing. Therefore, liquidity cannot be considered separately from capital resources, which consist of current or potentially available funds for use in achieving long-range objectives.

The Company utilizes capital resources in three principal areas: (1) for working capital requirements, (2) to construct or acquire property, plant and equipment and related assets, and (3) as a return to shareholders and lenders on their investments.

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The Company's working capital requirements are affected by many diverse factors including the seasonal nature of certain operations; the impact of economic cycles in the United States, Europe and other parts of the world on various businesses; and the amount and timing of payments. The Company attempts to mitigate the uncertainties associated with these factors by selling a wide range of products in numerous end-markets, engaging in business in many different areas of the world, integrating operations whenever appropriate, and carefully monitoring both short and long-range cash flow activity.

Working capital is required, in part, to maintain adequate stocks of raw materials and saleable finished products and to finance sales until payment is received from customers. Because demand for many of the Company's products is seasonal and due to production lead times, inventories generally increase during the winter months and decrease during the construction season. Inventory levels during 1980 were typical in this respect, with a $69 million rise between January 1 and April 30 followed by an even greater decline from that date to the end of the year. Trade receivables are also seasonally affected. The amount of outstanding receivables will generally increase during the year to correspond with the seasonal trend in sales in certain businesses between the spring and early fall.

To the extent that these seasonal working capital requirements and other cash needs in 1980 were not financed from operations, the Company issued commercial paper at competitive rates. The amount of commercial paper outstanding during 1980 rose from $9.5 million at the beginning of the year to a month-end high of $92 million in June. The amount outstanding then declined to zero at December 31. The Company is presently maintaining $152 million in lines of credit to support the issuance of commercial paper and larger credit lines would be available if needed.

During 1980 the recession in the U.S. adversely impacted many of the Company's operations. In order to conserve working capital during this period, programs were instituted to monitor inventory levels and extensions of credit and to maintain stringent controls on discretionary spending. The success of these programs is demonstrated by the 15% decline in the physical units of U.S. and Canadian inventories and the $14 million reduction in trade receivables between January 1 and December 31; and the moderate rise in selling, general and administrative expenses in 1980, despite severe inflationary effects in all areas of spending. (For a more detailed discussion of the impact of inflation on the operations of the Company, see "Supplemental Information on Inflation and Changing Prices" beginning on page 16.)

In recent years the Company has undertaken several large-scale capital expenditure programs which have substantially increased production capacity in many major product lines. Most of these programs had been largely completed by the end of 1980. As a result, the Company is now positioned to participate fully in the expected growth in many of its markets during the 1980's. Significant unused production capacity currently exists in many operating areas which will permit large sales volume increases from the present production base. Over the next several years, it is anticipated that capital expenditures in real terms will be lower than the $182 million spent in the peak year of 1979. Effort will now be directed principally at improving productivity and cost efficiencies at existing operations. Consequently, the projected level of capital expenditures in 1981 is expected to be approximately the same as the $131 million spent in 1980.

The Company also acquired substantial property, plant and equipment, as well as other assets, with the acquisition of the Manville Forest Products operations in late 1978 and early 1979. This $596 million acquisition was financed using a combination of cash, long-term debt and redeemable preferred stock. Its purpose was to add to the natural resource base and diversify the product mix of the Company. Because of its size, the purchase resulted in a more leveraged capital structure; consequently, the Company has an immediate short-term goal to reduce the ratio of debt to equity on its balance sheet. Anticipated cash flows during the next several years in excess of operating and capital expenditure requirements are expected to permit a reduction in the debt and interest expense levels.

Because of the recessionary environment in the U.S. during most of 1979 and 1980, the Company did not generate substantial cash flow in excess of operating and capital expenditure requirements in these years. Cash flow generated by individual operations in excess of their own operating and capital expenditure requirements were generally available for use by other operations on a worldwide basis.

The Company believes that its cash flow provided by operations will improve when the U.S. economy strengthens in the near future. Greater cash flow from operations is expected in future years from a combination of higher utilization of production capacity and a return of gross profit margins in the U.S. to more normal levels.

Uncertainties exist concerning the eventual outcome and ultimate liability to the Company with respect to asbestos/health litigation (see Note 5, "Contingencies"). It is anticipated, however, that costs associated with asbestos/health litigation will not have a material effect on the Company's liquidity during the next few years, if ever.

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Management, the Company has substantial defenses to these legal actions including the fact that, with respect to employees of other manufacturing companies, it had no special knowledge not in the possession of the plaintiffs' employers which would give rise to a special duty on the part of the Company, and, with respect to the employees of the Company, that applicable workers' compensation statutes provide appropriate defenses to most such claims.

It is the Company's belief that the claims and lawsuits pending and which may arise in the future relate to events and conditions existing in prior years. More specifically, it is the Company's belief, based on the following factors and assumptions, that since at least prior to the period covered by these financial statements, no significant new potential liabilities have been created for the Company with respect to diseases known to be related to asbestos and arising from asbestos fiber and/or asbestos-containing products manufactured or sold by the Company:

- That since the mid-1970's, the Company has sold asbestos fiber in the United States only in pressure pack, block form or other similar condition and not in a loose form;
- That by 1973, the Company had ceased domestic manufacture of thermal insulation products containing asbestos which are the products principally involved in disease claims made against the Company;
- That the Occupational Safety and Health Administration (OSHA) established a maximum exposure standard for asbestos fiber of five fibers per cubic centimeter in 1972 and lowered that standard to two fibers per cubic centimeter in 1976. It is assumed that compliance with such standards in the work place was achieved within a reasonable time following such promulgation and is continuing to date; and
- With respect to any use not complying with the OSHA asbestos standards, the Company's defensive posture with respect to claims arising out of such environments will be significantly enhanced.

As of December 31, 1980, the Company was a defendant or co-defendant in 5,087 asbestos/health suits brought by approximately 9,300 individual plaintiffs. This represents a substantial increase from the December 31, 1979 level of 2,707 cases (brought by approximately 4,100 plaintiffs) and the December 31, 1978 level of 1,181 cases (brought by approximately 1,500 plaintiffs). During 1979, the Company was named as a defendant in an average of 141 cases per month (brought by an average of 196 plaintiffs) as compared with an average of 65 cases per month (brought by an average of 83 plaintiffs) in 1978. During the first three quarters of 1980, the Company was named as a defendant in an average of 194 cases per month (brought by an average of 382 plaintiffs); this rate increased to an average of 304 cases per month (brought by an average of 403 plaintiffs) in the fourth quarter of 1980. During 1980, the Company disposed of 402 claims at an average disposition cost (excluding legal expenses) of $23,300, substantially all of which was paid by applicable insurance. This level of disposition cost represents a significant growth from the pre-1980 level of approximately $13,000 per claim. The growth in these two areas has significantly increased the uncertainties as to the future number of similar claims which the Company may receive, and the future disposition costs of the pending and future claims. Also during 1980, to resolve uncertainties as to the correct interpretation of a number of provisions in the various policies of insurance maintained by the Company and applicable to these claims, it was necessary for the Company to bring a declaratory judgment action to have such issues resolved by a court of law. While it continues to be the Company's opinion that its position with respect to these issues is sound and in accord with the weight of judicial precedents, any litigation involves uncertainties to some degree.

Because of the uncertainties associated with the asbestos/health litigation, and in spite of the substantial defenses the Company believes it has with respect to these claims, the eventual outcome of the asbestos/health litigation cannot be predicted at this time and the ultimate liability of the Company after application of available insurance cannot be estimated with any degree of reliability. No reasonable estimate of loss can be made and no liability has been recorded in the financial statements. Liabilities, if any, relating to asbestos/health litigation will be recorded in accordance with generally accepted accounting principles when such amounts can be reasonably estimated. Depending on how and when these uncertainties are resolved, the cost to the Company could be substantial.

Note 6—Leases

Total rental expense was $24,580,000 in 1980, $24,692,000 in 1979, and $18,839,000 in 1978.

At December 31, 1980, minimum rental commitments of the Company and its subsidiaries under long-term noncancelable operating leases were as follows:

	(Thousands of dollars)
1981	$10,593
1982	8,171
1983	5,436
1984	4,106
1985	2,827
After 1985	15,165
	$46,298

Note 7—Cumulative Preferred Stock

On January 19, 1979, the Company issued 4,598,327 shares of cumulative preferred stock, redeemable $5.40 series ($5.40 series), to consummate the acquisition of Olinkraft (see Note 2, "Acquisition of Olinkraft, Inc."). Also, at the time of the Olinkraft merger, stock options were granted to purchase 39,162 shares of $5.40 series stock in substitution for previously granted Olinkraft stock options. All changes in the number of preferred shares outstanding have been due to the exercise of stock options assumed in the merger. No additional grants of stock options on $5.40 series shares are anticipated.

Under a mandatory sinking fund provision, the Company is required to redeem the $5.40 series shares between 1987 and 2009 at $65 per share plus accrued dividends. The annual redemption requirements will consist of varying percentages applied to the number of outstanding shares on October 20, 1986, as follows: 5% annually from 1987 through 1996, 4%

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Management's Report

The accompanying consolidated financial statements have been prepared by Management in conformity with generally accepted accounting principles appropriate under the circumstances. The representations in the financial statements and the fairness and integrity of such statements are the responsibility of Management. All of the other financial information in the Annual Report to Shareholders is consistent with that in the financial statements.

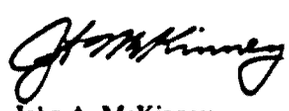
The financial statements necessarily include some amounts that are based on Management's best estimates and judgments. Management believes that the financial statements reflect in all material respects the substance of transactions which should be included and appropriately account for or disclose all material uncertainties. Uncertainties exist concerning the eventual outcome of asbestos/health litigation. Management is presently unable to estimate with any degree of reliability the ultimate cost to the Company, if any, resulting from this litigation. Any liabilities relating to asbestos/health litigation will be recorded in accordance with generally accepted accounting principles when such amounts can be reasonably estimated.

The financial statements prepared by Management have been examined in accordance with generally accepted auditing standards by Coopers & Lybrand, Independent Certified Public Accountants, whose report is also presented.

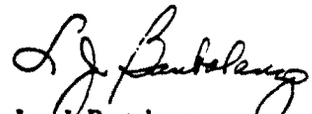
Johns-Manville maintains internal accounting control systems to provide reliable financial information for the preparation of financial statements, to safeguard assets against loss or unauthorized use and to ensure proper authorization and accounting for all transactions. Management is responsible for maintenance of these systems, which is accomplished through communication of established written codes of conduct, systems, policies and procedures; employee training; and appropriate delegation of authority and segregation of responsibilities. To further ensure compliance with established standards and procedures, the Company maintains a substantial program of internal audits.

In establishing and maintaining its internal accounting control systems, Management considers the inherent limitations of the various control procedures and weighs their cost against the benefits derived. Management believes that existing internal accounting control systems are achieving their objectives and that they provide reasonable assurance concerning the accuracy of the financial statements.

Oversight of Management's financial reporting and internal accounting control responsibilities is exercised by the Board of Directors, through an Audit Committee which consists solely of outside directors (see page 22). The Audit Committee meets periodically with financial management, internal auditors and the independent accountants to ensure that each is meeting its responsibilities and to discuss matters concerning auditing, internal accounting control and financial reporting. The independent accountants and the Company's internal audit department have free access to meet with the Audit Committee without Management's presence.



John A. McKinney
Chairman of the Board and
Chief Executive Officer



Leo J. Bartolanzo
Senior Vice President, Finance

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Accountants' Report

To the Shareholders and Directors
of Johns-Manville Corporation:

We have examined the consolidated balance sheets of Johns-Manville Corporation as of December 31, 1980 and 1979, and the related consolidated statements of earnings and earnings reinvested and changes in financial position for each of the three years in the period ended December 31, 1980. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of Canadian subsidiaries, which reflect total assets constituting 10% in 1980 and 1979, and net sales constituting 10%, 9% and 11% in 1980, 1979 and 1978, respectively, of the related consolidated totals were examined by other auditors whose report thereon has been furnished to us. Our opinion expressed herein, insofar as it relates to amounts included for Canadian subsidiaries examined by other auditors, is based solely upon their report.

As discussed in Note 5 to the consolidated financial statements, the Company is a defendant in a substantial and increased number of asbestos/health legal actions. The ultimate liability resulting from these matters cannot presently be reasonably estimated. In our report dated February 1, 1980, our opinion on the Company's consolidated financial position as of December 31, 1979 was unqualified. However, because of the increased uncertainties that developed during 1980 with respect to these matters, our present opinion on the consolidated financial position as of December 31, 1979, as presented herein, is different from that expressed in our previous report.

In our opinion, based upon our examinations and the report of other auditors, the aforementioned financial statements present fairly the consolidated results of operations and changes in financial position of Johns-Manville Corporation for each of the three years in the period ended December 31, 1980 and, subject to the effects of adjustments that might have been required had the outcome of the uncertainties referred to in the preceding paragraph been known, the consolidated financial position of Johns-Manville Corporation at December 31, 1980 and 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

Coopers & Lybrand

February 4, 1981
Denver, Colorado

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A MEETING OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the 2nd floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Thursday, March 5, 1981, at 3:00 p.m. pursuant to due notice.

The following members of the Committee were present, constituting a quorum:

J. Jacques Beauchemin
George C. Dillon
Robert L. Geddes
William C. Janss
John A. Love
George B. Munroe
John P. Schroeder
Charles J. Zwick

Also present were John A. McKinney, Chairman of the Board and Chief Executive Officer and a Director, F.L. Pundsack, President and Chief Operating Officer and a Director; L.J. Bartolanzo, Senior Vice President, Finance; J.F. Knoth, Vice President and Controller; F.L. Page, General Auditor; G.R. Johannes, Senior Director of Accounting; Robert A. Boardman, Associate Corporate Counsel and Assistant Secretary; Arthur L. Knight and Ken L. Jensen of Coopers & Lybrand; and Peter Kyle and John D. Ryall of Campbell Sharp.

George B. Munroe left the meeting at 3:45.

Charles J. Zwick acted as Chairman of the Meeting and Robert A. Boardman acted as Secretary.

Approval of Minutes

RESOLVED that the minutes of the Audit Committee meeting held September 5, 1980 are approved.

Messrs. Boardman and Johannes reviewed for the Committee the reasons for and the probable impact of the qualification of Coopers & Lybrand's report on J-M's 1979 and 1980 Consolidated position.

The following were considered in detail by the Committee:

1. Financial Statements for 1980 of Johns-Manville Corporation and Consolidated Subsidiaries, certified by Coopers & Lybrand. (Annual Report to Shareholders).

2. Financial Data for meeting of Audit Committee (Blue Book).

3. Financial Statements for 1980 of Johns-Manville Canada Inc. and Consolidated Subsidiaries, and Johns-Manville Amiante Canada Inc.

4. Report dated February 4, 1981 from Coopers & Lybrand regarding

   a) Scope of examination
   b) Study and evaluation of Company's system of internal accounting control.
   c) Management replies to observations on internal control - 1979 examination.

5. Report dated February 4, 1981 from Campbell Sharp regarding

   a) Scope of examination
   b) Study and evaluation of Company's system of internal accounting control.

6. Review of Annual Report on Form 10K.

7. Annual Report to Audit Committee by F.L. Page, General Auditor, on 1980 internal audit activities and summaries of officer expense reports.

8. Approval of Non-Audit Services performed by independent auditors.

Mr. Johannes reviewed in detail the financial statements and answered questions from the Committee members. Messrs. Tolanzo and Knoth assisted in providing explanations and additional information to the Committee.

In response to questions by the Committee, representatives of Coopers & Lybrand and Campbell Sharp replied that the scope of their respective examinations of the financial statements corresponded to their letters of proposal; that there were no changes made during the course of the year in the outline set forth in their letters of proposal; that their reviews and tests did not disclose any significant deficiencies in either the system of internal controls or accounting procedures; that they had no criticisms or other observations warranting the consideration of the Committee; that all of their recommendations were either followed or were in the process of being followed; that there were no important recommendations from last year which were still not resolved; and that they had received the full cooperation of the Company's officers and employees.

Mr. Page, in answer to questions, stated that he had no comments or matters to report on in addition to those in his annual report and his report on officer expense reports and that he had received the full cooperation of all departments and responsibilities. Mr. Page stated his resources were adequate to the job.

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Report on Non-Audit Services Performed by Independent Auditors -

Mr. Knoth reported that all of the services actually provided during the year 1980 by the Corporation's independent auditors were in accordance with the normal audit services and certain additional non-audit services approved by the Audit Committee at its March 6 and June 6, 1980 meetings.

It was the Committee's recommendation that resolutions, set forth later in these minutes, describing and approving certain non-audit services as well as normal audit services for the current year be presented to the Board of Directors for adoption.

Recommendations to the Board of Directors

Accept Financial Statements

RESOLVED that the Board accept the financial statements of Johns-Manville Corporation and its Consolidated Subsidiaries as certified by Coopers & Lybrand, for inclusion in the 1980 Annual Report.

Approval of Non-Audit Services Provided by Independent Auditors

RESOLVED that the Audit Committee of the Board of Directors does not consider that the professional services described below impair the independence of Coopers & Lybrand as its principal independent auditor and that senior financial management are hereby authorized to consider Coopers & Lybrand as provider of the following services for the year ending December 31, 1981:

(A) Normal Audit Services which include:

- Meetings with the Audit Committee or the Board of Directors on matters related to the audit.
- Reviews of the system of internal accounting control for the purpose of determining the adequacy of the system when done in conjunction with the examination of financial statements.
- Review of tax provisions to determine appropriateness.
- Consultations during the year on matters related to accounting and financial reporting.
- Review of financial and related information that is to be included in filings with the Securities and Exchange Commission and other regulatory agencies.

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- Preparation of a letter to management on matters coming to the accountants' attention during an examination of financial statements.

- Limited reviews of financial information to be included in interim reports to shareholders and other investors or otherwise made public.

- Issuance of "comfort" letters to underwriters.

- Reviews of sensitive payments or compliance with corporate codes of conduct when done in conjunction with the examination of financial statements.

- Audits of entities that have been acquired by the issuer.

- Reviews of compliance with restrictive clauses in loan indentures or other agreements.

- Services performed in connection with the issuance of special reports under Statement of Auditing Standards No. 14.

- Examinations of the financial statements of the retirement and benefit plans of the Corporation and its subsidiaries as required by the Department of Labor under the Employee Retirement Income Security Act (ERISA).

B. Preparation of tax returns or the rendering of tax advice to the Corporation or its subsidiaries.

C. Preparation of personal income tax returns and income tax consultation for certain of the Corporation's U.S. executives.

D. Training of certain foreign personnel in the application of U.S accounting principles, as required.

E. Interpreter services for the Corporation's internal auditors in foreign locations, as required.

F. Preparation of reports to the Federal Election Commission for the Corporation's Citizens Action Fund.

G. Internal control services provided for the purpose of designing or redesigning systems and procedures.

RESOLVED that senior financial management of this Corporation shall report to the Board of Directors following the end of each year the nature and extent of such services utilized.

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RESOLVED that the Board of Directors shall review such report to consider whether the services provided were in accordance with this resolution.

The Secretary was requested to file copies of the Coopers & Lybrand letter dated February 4, 1981 and the Campbell Sharp letter dated February 4, 1981 with the minutes of the meeting.

At this time Mr. Page distributed a report on officers expense reports. These were considered in detail by the Committee.

The meeting was duly adjourned.

Robert A. Boardman
Secretary

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March 6, 1981

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, March 6, 1981, at 9:00 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

* * *

Mr. McKinney reviewed the status of the Company's asbestos health litigation. Since the first of the year, the Corporation received defendant's verdicts in four consecutive trials. It is management's intention to continue to vigorously defend these cases. He outlined a program to further increase the Legal Department trial staff in order to accomplish this.

Finally, Mr. McKinney reported on the results of a meeting with Dr. Selikoff of Mt. Sinai Hospital.

* * *

July 30, 1981

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF JOHNS-MANVILLE CORPORATION was held in the Eagles Nest Room, Old Baldy Club, Saratoga, Wyoming, on Thursday, July 30, 1981, at 8:30 A.M. pursuant to due notice.

* * *

R. B. VonWald reviewed all aspects of the asbestos related health litigation, pending, threatened and potential, the applicable insurance coverage and the ability of Johns-Manville Corporation to meet those liabilities.

* * *

Report on Legal Proceedings

Messrs. Parker and VonWald reviewed the organization of the Legal Department and the current status of the Company's legal proceedings including a detailed analysis of the Company's asbestos health and insurance litigation.

* * *

LEGAL PRESENTATION

BOARD OF DIRECTORS MEETING

JULY 31, 1981

SARATOGA, WYOMING

PRIVILEGED AND CONFIDENTIAL

ATTORNEY/CLIENT COMMUNICATION

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LITIGATION

	12/31/77	12/31/78	12/31/79	12/31/80	06/30/81
TOTAL OPEN CASES AS OF DATE	988	1661	2857	5179	7515
TYPES OF ACTIVE CASES AS OF DATE					
A. PRODUCT RELATED	318	169	258	273	290
B. OCCUPATIONAL HEALTH	559	1370	2432	4691	6995
C. NON-PRODUCT RELATED	93	103	139	181	195
D. J-M INITIATED	13	19	28	34	35
COMPLETELY OR PARTIALLY INSURED AS OF DATE	866	1541	1730	4872	7317

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LITIGATION BY DIVISION

	TOTAL OPEN CASES AS OF 12/31/79		TOTAL OPEN CASES AS OF 12/31/80		TOTAL OPEN CASES AS OF 06/30/81
ASBESTOS HEALTH	2432	(2661/402)	4691	(2475/171)	6995
BUILDING SYSTEMS	111	(26/10)	127	(18/13)	132
HOLOPHANE	3	(-/-)	3	(-/-)	3
INDUSTRIAL PRODUCTS	27	(6/11)	22	(4/4)	22
INDUSTRIAL SPECIALTIES	28	(7/8)	27	(5/7)	25
INTERNATIONAL	11	(-/-)	11	(1/-)	12
MANVILLE FOREST PRODUCTS	77	(31/12)	96	(14/2)	108
PIPE	42	(12/7)	47	(3/6)	44
PRIVATE CARRIAGE	24	(6/2)	28	(1/1)	28
RESIDENTIAL PRODUCTS	48	(14/2)	60	(18/4)	74
MISCELLANEOUS	54	(18/5)	67	(5/-)	72
TOTALS	2857	(2781/459)	5179	(2544/208)	7515

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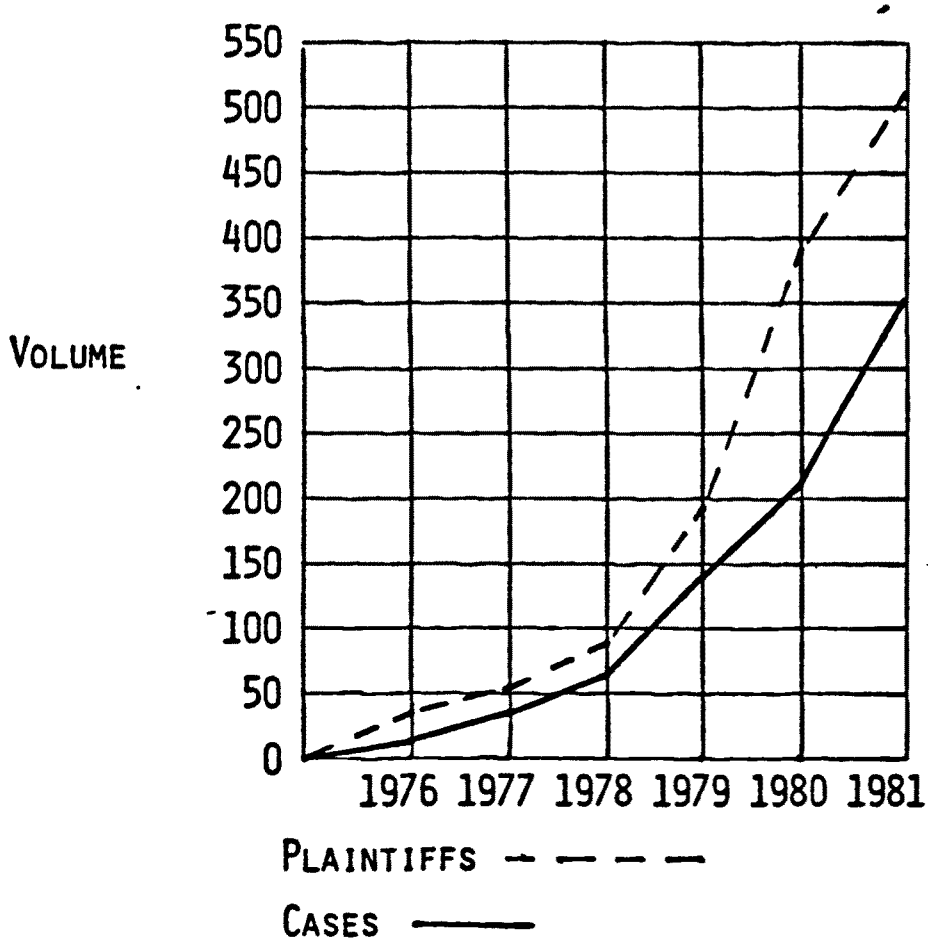
ASBESTOS HEALTH L..IGATION
NEW CASES PER MONTH
(12,021) = TOTAL PLAINTIFFS

	1976		1977		1978		1979		1980		1981	
JANUARY	3	(3)	6	(22)	37	(37)	75	(85)	113	(210)	374	(530)
FEBRUARY	16	(16)	23	(126)	26	(32)	192	(257)	74	(88)	296	(338)
MARCH	12	(12)	52	(98)	55	(108)	166	(173)	102	(108)	351	(493)
APRIL	4	(4)	24	(89)	59	(60)	85	(120)	183	(551)	342	(555)
MAY	8	(8)	20	(29)	30	(30)	86	(152)	167	(882)	453	(689)
JUNE	6	(84)	20	(28)	81	(96)	103	(180)	124	(252)	284	(435)
JULY	10	(10)	23	(23)	143	(154)	191	(228)	468	(580)		
AUGUST	16	(16)	41	(41)	53	(64)	139	(151)	282	(315)		
SEPTEMBER	11	(122)	50	(50)	39	(48)	188	(236)	236	(449)		
OCTOBER	25	(35)	31	(47)	51	(82)	178	(218)	369	(563)		
NOVEMBER	29	(44)	28	(31)	44	(62)	150	(396)	238	(267)		
DECEMBER	12	(16)	41	(41)	157	(222)	138	(152)	305	(378)	___	___
TOTALS	152	(370)	359	(625)	775	(995)	1691	(2348)	2661	(4643)	2100	(3040)

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LITIGATION VOLUME

YEAR	AVERAGE CASES	PER MONTH PLAINTIFFS
1976	13	31
1977	30	52
1978	65	83
1979	140	196
1980	222	387
1981(THRU 6/30)	350	507



TRIAL RESULTS

Y	NAME	TYPE	RESULT	TOTAL VERDICT	J-M SHARE
1974	BOREL	I	PLAINTIFF	$ 79,436	$ 9,750
1975	KARJALA	I	PLAINTIFF	214,079	214,079
1976	LOUISVILLE TRUST	O	PLAINTIFF	90,000	-0-
	HAMILTON	I	PLAINTIFF	16,000	11,000
1977	STARNES	I	DEFENDANT		
	DANIELS	I	DEFENDANT		
	BUMGARDNER	I	DEFENDANT		
	CONDRAY	I	PLAINTIFF	60,694	6,744
1978	BARNETT	I	DEFENDANT		
	DISHNER	I	PLAINTIFF	750,000	275,000
	CAMPBELL	I	PLAINTIFF	75,000	9,000
	CAMPBELL	R	DEFENDANT		
	CARPENTER	I	DEFENDANT		
	BJORQUIST	I	PLAINTIFF	100,000	52,000
	OMAN	S	DEFENDANT(1)	435,000	217,500(R)
	WALKER	S	DEFENDANT(1)	435,000	145,000(R)
	GIBBONS	S	DEFENDANT(1)	435,000	435,000(R)
	MCGRATH	F	DEFENDANT		
1980	MOONEY	I	DEFENDANT(2)		
	CAMPBELL	S	DEFENDANT		
	HOGARD	S	PLAINTIFF(1)	1,229,491	799,173
	KUBIAK	I	PLAINTIFF	450,000	250,000
	CLAY	I	DEFENDANT		
	BAILEY	I	DEFENDANT		

(1) -- ON APPEAL
(2) -- NEW TRIAL GRANTED
(R) -- PLAINTIFF, VERDICT REVERSED

YE	NAME	TYPE	RESULT	TOTAL VERDICT	J-M SHARE
381	HANCE	S	DEFENDANT		
	BARLIEB	F	DEFENDANT		
	JENKINS	S	DEFENDANT		
	WATSON	I	DEFENDANT		
	MURPHY	O	PLAINTIFF(1)	$ 170,000	$170,000
	BEHRINGER	S	PLAINTIFF	300,000	300,000
	HALL	I	PLAINTIFF	55,000	1,500
	FOX	O	DEFENDANT		
	MORAN	I	PLAINTIFF(3)	350,000(C)	350,000(C)
				500,000(P)	500,000(P)
	NEAL ET AL	F	PLAINTIFF	1,811,553	713,889
				Total	J-M Share
	MANCINI			68,400(C)	17,100(C)
				13,000(P)	10,000(P)
	FOULKE			57,750(C)	14,437(C)
				90,000(P)	30,000(P)
	ROMANO, L.			85,500(C)	21,375(C)
				42,000(P)	35,000(P)
	HOJNACKI			353,400(C)	88,350(C)
				105,000(P)	90,000(P)
	ROMANO, P.			252,700(C)	63,175(C)
				53,000(P)	50,000(P)
	PASCALE			7,000(C)	1,750(C)
				1(P)	1(P)

(1) -- ON APPEAL
(3) -- MOTIONS FOR NEW TRIAL FILED; APPEAL TO SIXTH CIRCUIT TO FOLLOW.
(C) -- COMPENSATORY
(P) -- PUNITIVE

YEAR	NAME	TYPE	RESULT	TOTAL VERDICT	J-M SHARE
1981	NEAL ET AL, CONT'D.				
				Total	J-M Share
	HENLEY			9,000(C)	2,250(C)
				3,500(P)	2,000(P)
	SATTERWHITE			138,802(C)	34,701(C)
				60,500(P)	60,000(P)
	WILMER			90,000(C)	22,500(C)
				10,000(P)	10,000(P)
	BELZ			105,000(C)	21,250(C)
				36,000(P)	36,000(P)
	LENZI			76,000(C)	19,000(C)
				25,000(P)	20,000(P)
	RAYMOND			110,000(C)	55,000(C)
	MITCHELL			10,000(C)	5,000(C)
	BOGDANSKI			10,000(C)	5,000(C)
	NEAL		STATUTE OF LIMITATIONS		
	THOMAS	S	DEFENDANT'S VERDICT		
	MOORE	I	DEFENDANT'S VERDICT		
	NOECKER	F	PLAINTIFF(1)	550,000 (C)	550,000 (C)
				50,000 (P)	50,000 (P)

(1) -- POST-TRIAL MOTIONS PENDING -- ACTIONS FOR INDEMNITY TO BE BROUGHT AGAINST CERTAIN SETTLING DEFENDANTS.
(C) -- COMPENSATORY
(P) -- PUNITIVE

SUMMARY

ASBESTOS LITIGATION SIGNIFICANT DEVELOPMENTS

1) VOLUME:

	Monthly Averages	
Year	Cases	Plaintiffs
1976	13	31
1977	30	52
1978	65	83
1979	141	196
1980	222	387
1981	350	507

2) COSTS:

		Average Cost Per Plaintiff[A]	
Year	No. of Plaintiffs	Total	J-M Share
Pre-1976	26	$44,300	$16,100
1976	17	68,900	21,230
1977	52	56,400	12,400
1978	174	60,500	13,800
1979	233	37,250	11,000
1980	401	76,200(76,600)[B]	22,600(23,200)[B]
1981	219	48,000(58,200)[B]	17,900(25,600)[B]

[A] EXCLUDES LEGAL EXPENSES

[B] INCLUDES 4 PLAINTIFF'S VERDICTS NOW ON APPEAL

3) TRIALS IN 1981 - 13 (7 WINS - 6 LOSSES)

A) FIRST PUNITIVE DAMAGES AWARDED

- MORAN $500,000
- NEAL $343,001 (11 PLAINTIFFS - AVERAGE = $31,180)
- NOECKER $ 50,000

B) J-M AVERAGE COST/CASE

	TRIALS	SETTLEMENTS	TOTAL
W/O-APPEALS	40,600	16,700	17,400
W/APPEALS	107,000	16,700	18,900

4) CLASS ACTIONS

A) NO CHANGE - NO CLASS HAS YET BEEN CERTIFIED

5) CALIFORNIA EMPLOYEE ACTIONS

A) IN SEPTEMBER, THE FIRST CALIFORNIA EMPLOYEE J-M CASE (SPEAK) IS SCHEDULED FOR TRIAL.

LITIGATION STRATEGY

GOALS: INFLUENCE VOLUME AND QUALITY OF CASES FILED

INFLUENCE AVERAGE COST OF CASES

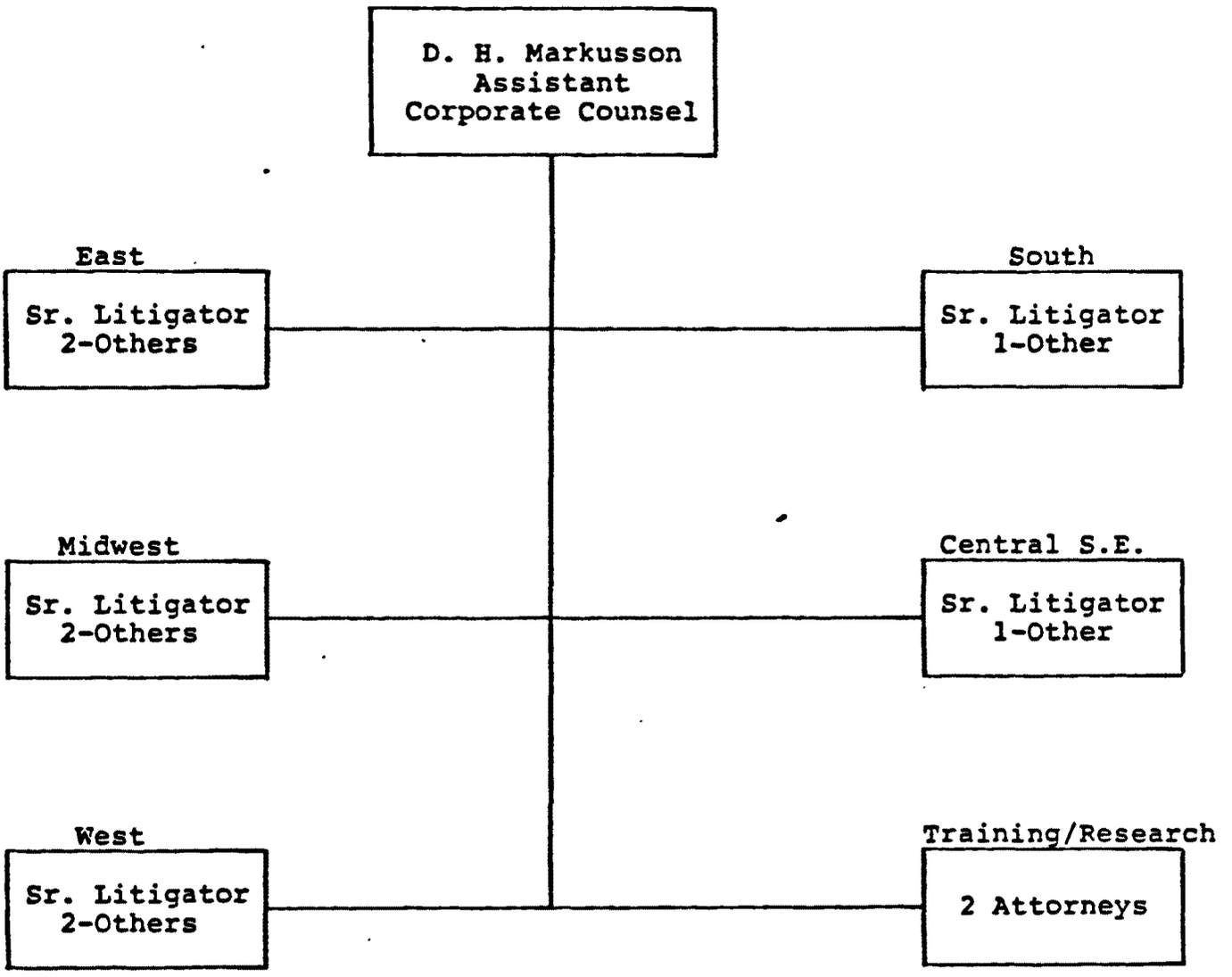
METHOD: SELECTIVE PRESSURE

1. TRACKING PLAINTIFFS ATTORNEYS
2. INCREASING DISCOVERY DEMANDS
3. INCREASING KNOWLEDGE OF J-M ATTORNEYS
4. INCREASING TRIAL TOOLS & RESOURCES OF J-M ATTORNEYS
5. VIGOROUSLY TRYING CASES

ANTICIPATED RESULTS:

1. ATTORNEYS WILL CAREFULLY SCREEN CASES - ONLY BRING QUALITY CASES
2. LESS LIKELY TO PUSH MARGINAL CASES
3. HOLD DOWN OVERALL COSTS - MORE LEVERAGE TO SETTLE AT REASONABLE LEVELS

Asbestos Litigation Group



Regions Average 2400 Plaintiffs

1400 Lawsuits

INSURANCE LITIGATION

1. BOSTON - COMMERCIAL UNION VS. JOHNS-MANVILLE

   A) FILED: JANUARY 4, 1979
   B) COVERAGE: 1934 - 1948 PRIMARY U.S.
   C) $37 MILLION PLUS COSTS OF DEFENSE

2. MONTREAL - CANADIAN INDEMNITY VS. CANADIAN J-M

   A) FILED: AUGUST 8, 1979
   B) COVERAGE: 1970 - 1976 CANADIAN PRIMARY
   C) $8 MILLION

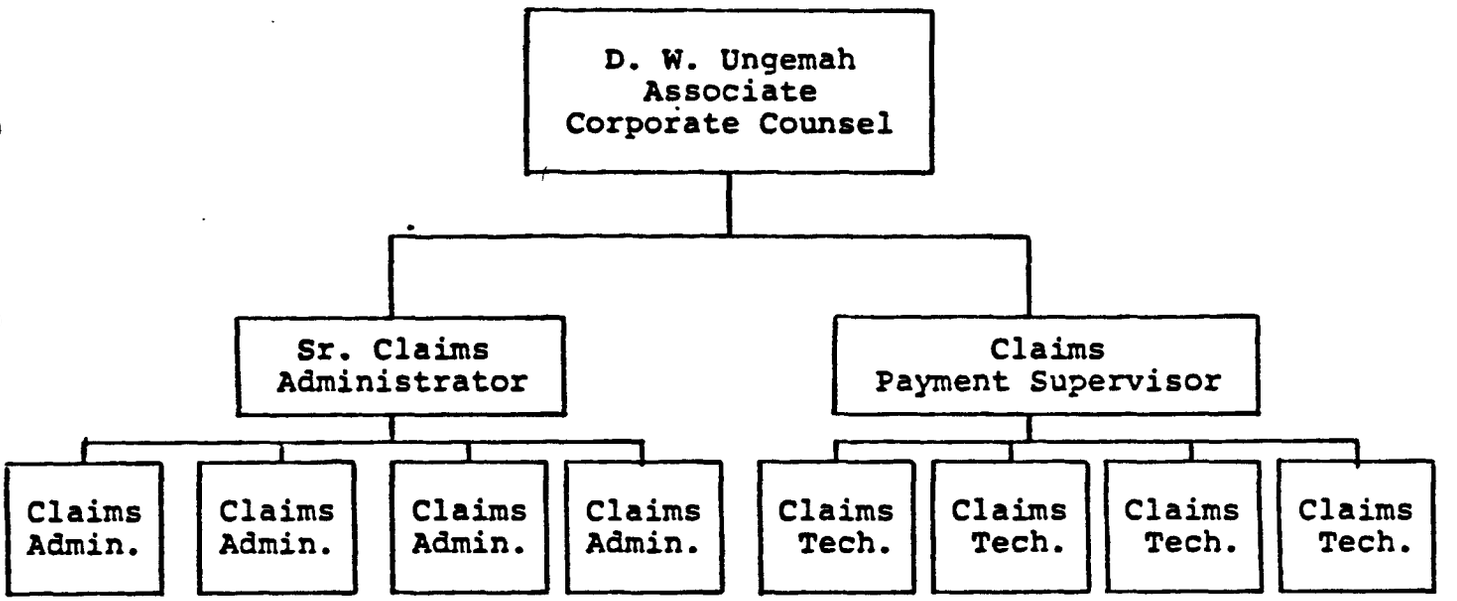
3. TORONTO - J-M CANADA VS. SUN ALLIANCE

   A) FILED: NOVEMBER 2, 1979
   B) COVERAGE: 1946 - 1970 CANADIAN PRIMARY
   C) $12 MILLION

4. SAN FRANCISCO - JOHNS-MANVILLE VS. THE HOME

   A) FILED: MARCH 31, 1980
   B) COVERAGE: 1947 - 1980 PRIMARY AND EXCESS - U.S. AND CANADA
   C) $600 MILLION PLUS

INSURANCE CLAIMS FUNCTION



Claims Investigation/Disposition

Carrier Liasion

Insurance Billing and Collection

Outside Legal Expense System

Financial/Statistical Analysis

SUMMARY OF PROJECTIONS

(PLAINTIFFS)

YEAR	STATISTICAL PROJECTION	INTERNAL DEPARTMENT	ACTUAL RESULTS
1978	1,064[A]	750[A]	995
1979	2,225[A]	2,000[A]	2,348
1980	4,798[B]	2,500[B]	4,643
1981	10,665[B]	3,000[B]	
1982		7,500[C]	
1983		5,200[C]	
1984		2,500[C]	
1985		800[C]	
1986		400[C]	

[A] PROJECTION MADE IN JUNE 1979 FOR 1978 AND 1979

[B] PROJECTION DONE JULY 1980 FOR 1980 AND 1981

[C] PROJECTION DONE JULY 1981

COST PROJECTION
ASSUMPTIONS

PROJECTION OF NEW PLAINTIFFS

As of 1/1/81	10,000
1981	6,100
1982	7,800
1983	5,200
1984	2,400
1985	650
1986	350
	32,500

COST PER PLAINTIFF

	DEFENSE COSTS	DAMAGES	TOTALS
1981	3,350	30,000	33,350
1982	3,350	30,000	33,350
1983	3,350	35,000	38,350
1984	5,000	40,000	45,000
1985	5,000	45,000	50,000
1986	5,000	50,000	55,000
1987	5,000	50,000	55,000
1988	5,000	50,000	55,000
1989	5,000	50,000	55,000
1990	5,000	50,000	55,000
1991	5,000	50,000	55,000

Disposition of Plaintiffs

10% in Year 1 following date of filing
20% in year 2 following date of filing
30% in year 3 following date of filing
25% in year 4 following date of filing
15% in year 5 following date of filing

	1981	1982	1983	1984	1985	1986	1987	1988
Cases Disposed:	1,000	2,925	4,650	5,825	6,050	5,009	3,417	1,700

	1989	1990	1991
Cases Disposed:	603	179	49

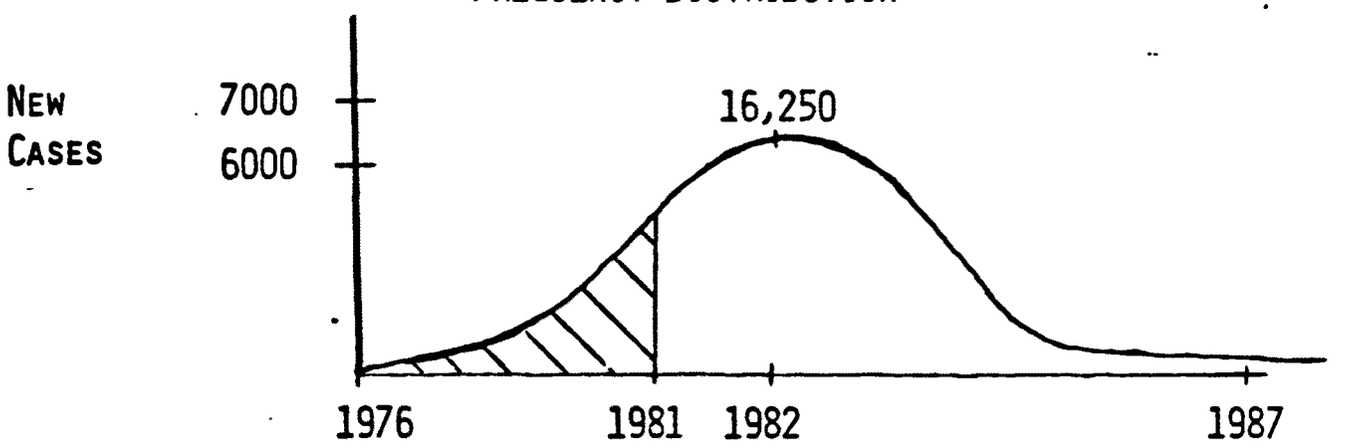
Annual Costs:

Year	Plaintiffs	Cost/Plaintiff	Total Annual Cost
1981	1,000	$33,350	$ 33,350,000
1982	2,925	33,350	97,548,750
1983	4,650	38,350	178,327,500
1984	5,825	45,000	262,125,000
1985	6,050	50,000	302,500,000
1986	5,009	55,000	275,495,000
1987	3,417	55,000	187,935,000
1988	1,700	55,000	93,500,000
1989	603	55,000	33,165,000
1990	179	55,000	9,845,000
1991	49	55,000	2,695,000
			$1,473,791,000

Average Disposition Cost $46,925/Plaintiff

ASSUMED

FREQUENCY DISTRIBUTION



PEAK IN 1982

1) YEAR TO YEAR RATE OF INCREASE HAS SLOWED:
   1977-78: 60%
   1978-79: 140%
   1979-80: 98%
   1980-81: 32%
2) 1980 IS 35 YEARS FROM WWII NEAR OUTER EDGE OF LATENCY PERIOD. CASES MANIFESTED IN YEAR 0 WILL BE FILED AS LAW SUITS 1-2 YEARS LATER.
3) J-M PLANT EXPERIENCE = RATE OF DISEASE OF LONG TERM EMPLOYEES IS ON DECLINE
4) NUMBER OF NEW PLAINTIFFS ATTORNEYS IS NOT INCREASING GREATLY

ESTIMATE OF COSTS
(000)

YEAR	TOTAL COST/YEAR	J-M SHARE	INSURANCE COVERAGE
1981	$ 33,350	$ 11,117	$ 22,233
1982	97,549	32,516	65,033
1983	178,327	59,442	118,885
1984	262,125	87,375	174,750
1985	302,500	100,833	201,667
1986	275,495	160,063	115,432
1987	187,935	187,935	$697,990
1988	93,500	95,500	
1989	33,165	33,165	
1990	9,845	9,045	
1991	2,695	2,695	
		$779,686	

JOHNS-MANVILLE CORPORATION AND SUBSIDIARIES
ESTIMATED COVERAGE AVAILABLE FOR POTENTIAL CREDITORS
DECEMBER 31, 1980
(THOUSANDS OF DOLLARS)

NET ASSETS (APPROXIMATE CURRENT COST BASIS)	$620,000	
LESS: PREPAID TAXES	(6,000)	
ADD: DEFERRED TAXES	77,000	
ESTIMATED CURRENT VALUE OF ORE RESERVES (JEFFREY MINE)	100,000	
	791,000	$791,000
LESS: ESTIMATED TAX BASIS OF ASSETS	(245,000)	
TAXABLE INCOME	546,000	
LESS: TAX @ 40%	(218,000)	(218,000)
NET PROCEEDS AFTER TAX		573,000
		÷ 52%
AMOUNT AVAILABLE FOR CLAIMS GROSSED UP TO PRE-TAX BASIS		1,100,000

COST PROJECTION
COMPARISON

	1980 Projection (15,500 Plaintiffs)		1981 Projection (32,500 Plaintiffs)	
	Total Cost	J-M Share	Total Cost	J-M Share
1980	$ 10,500	-		
1981	40,000	-	$ 33,350	$ 11,117
1982	97,500	-	97,548	32,516
1983	108,000	-	178,327	59,442
1984	208,250	-	262,125	87,375
1985	195,000	$ 59,250	302,500	100,833
1986	160,000	160,000	275,495	160,063
1987	100,000	100,000	187,935	187,935
1988	44,000	44,000	93,500	95,500
1989	12,000	12,000	33,165	33,165
1990		$375,250	9,845	9,045
1991			2,695	2,695
				$779,686

PRODUCT LIABILITY CLAIMS: WILL CLAIMS FOLLOW ASSETS TRANSFERRED OUT TO OTHER SUBSIDIARIES?

ANSWER: DEPENDS ON WHETHER THE FAIR SALABLE VALUE OF ASSETS REMAINING AFTER THE TRANSFER ARE SUFFICIENT TO PAY THE PROBABLE LIABILITIES ON EXISTING DEBTS.
IF SUCH FAIR SALABLE VALUE IS NOT SUFFICIENT, THEN THE COMPANY IS "INSOLVENT" AND THE TRANSFERS ARE DEEMED FRAUDULENT.

CONCLUSION: THE FAIR SALABLE ASSETS REMAINING APPROXIMATES $1.1 BILLION (GROSSED-UP FOR TAXES).

DEFINITION OF THE PROBABLE LIABILITIES OR EXISTING DEBTS IS UNCERTAIN:

1) REASONABLE INTERPRETATION IS THAT EXISTING DEBTS ARE THOSE MATURED BUT PERHAPS NOT ASSERTED OR

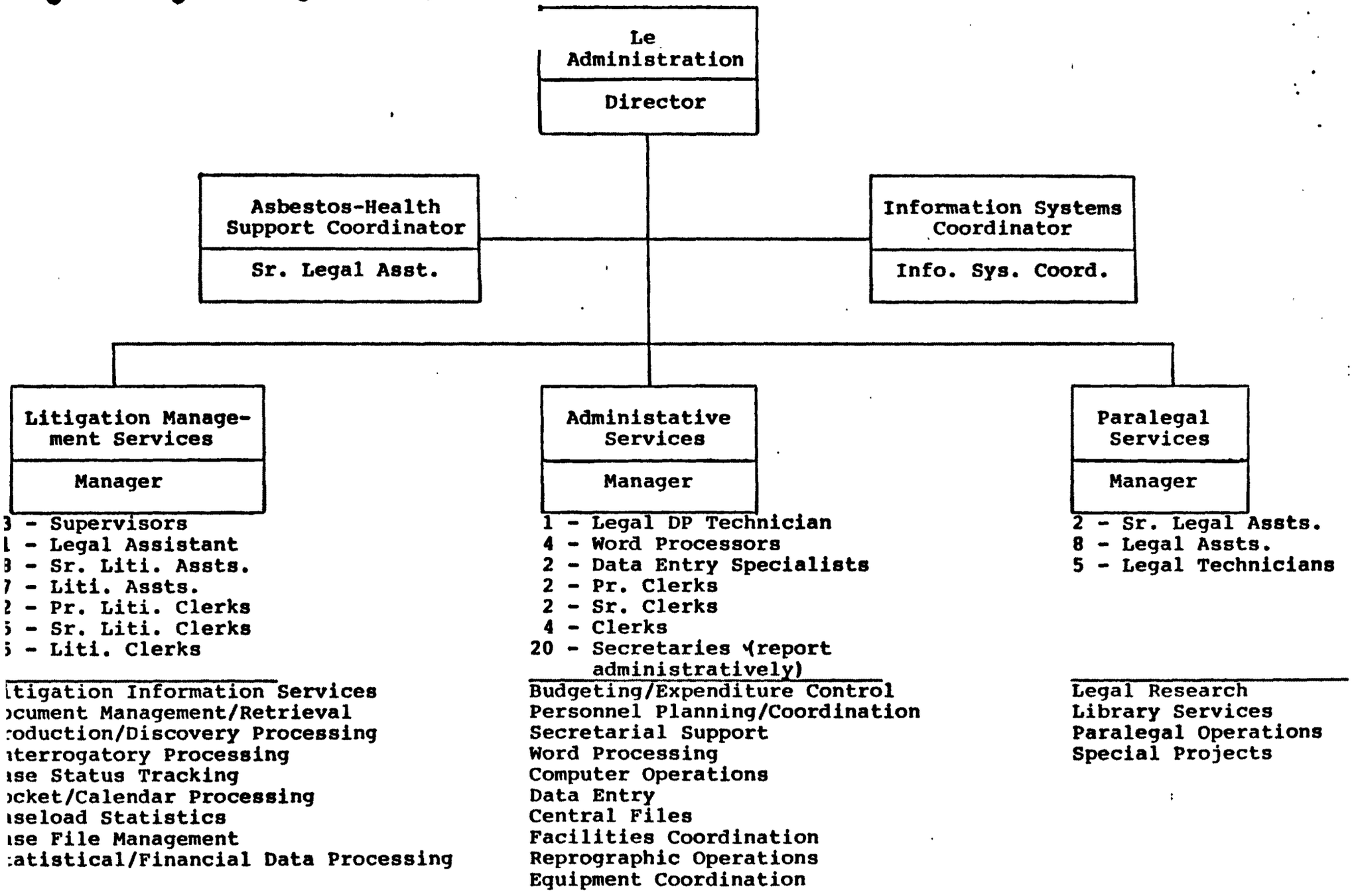
2) VERY CONSERVATIVE INTERPRETATION IS THAT EXISTING DEBTS ARE THOSE MATURED BUT PERHAPS NOT ASSERTED PLUS THOSE NOT MATURED BUT POSSIBLE BECAUSE OF EXPOSURE IN THE PAST.

DIVIDEND LEGALITY: IS DIVIDEND FROM J-M UP A LEGAL DIVIDEND.

ANSWER: MAY DEPEND ON WHETHER FAIR SALABLE VALUE OF ASSETS AFTER DIVIDEND EXCEED PROFORMA BALANCE SHEET LIABILITIES PLUS PRESENT VALUE OF ITS PROBABLE LIABILITIES IN THE FUTURE.

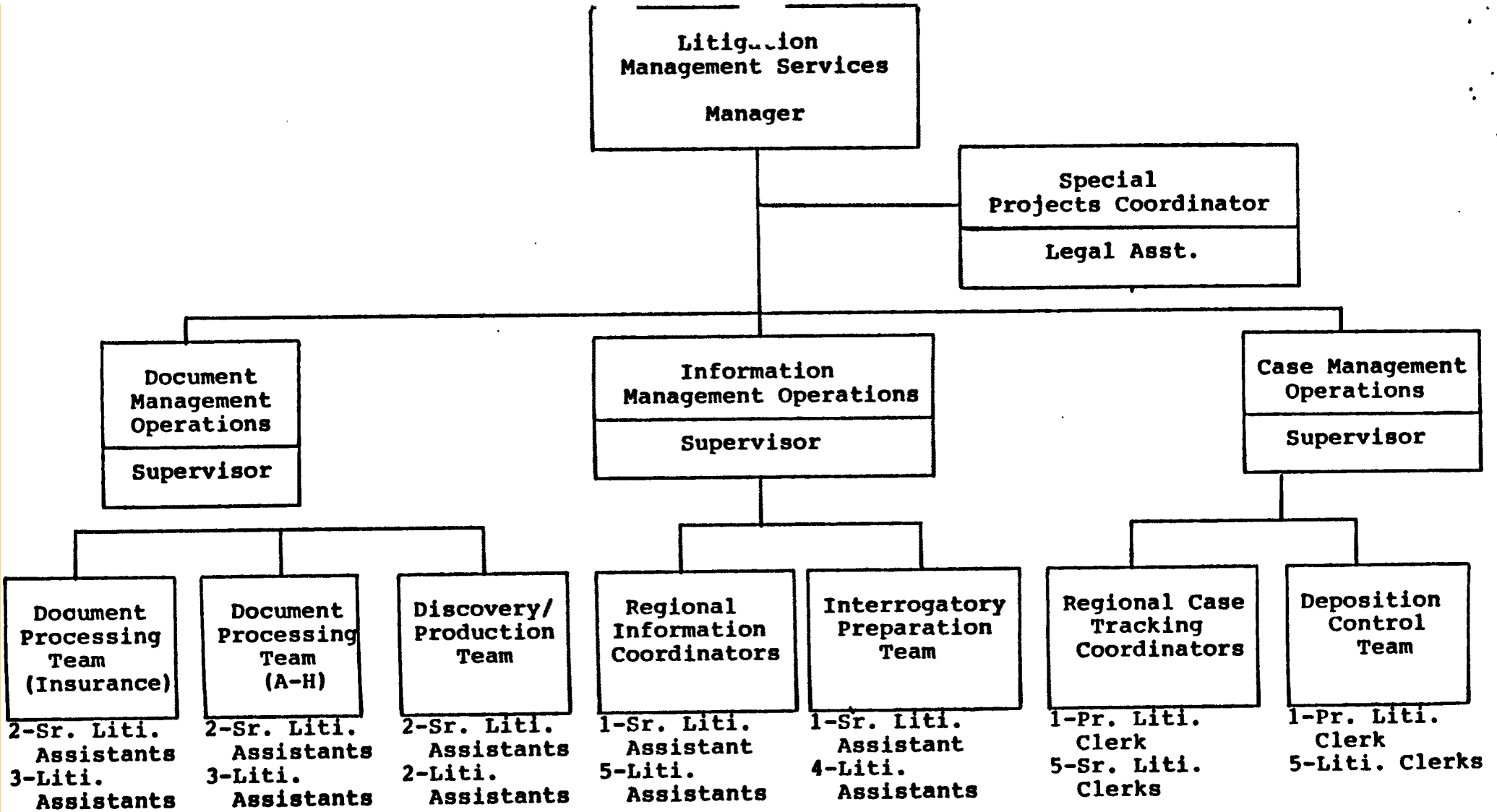
SAME STANDARD AS FOR PRODUCT CLAIMS ANALYSIS.

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TRIAL EXPERIENCE

YEAR	NO. OF CASES	TOTAL AVERAGE VERDICT/CASE	J-M AVERAGE SHARE/CASE
1974	1	$ 79,436	$ 9,750
1975	1	214,079	214,079
1976	2	53,000	5,500
1977	4	15,174	1,686
1978	4	206,250	71,000
1979	6	16,667(A)	8,667(A)
1980	5	0	0(B)
1981	30	25,700	61,313(C)
TOTALS	52	$32,350	$19,452

(A) EXCLUDES 3 CASES RESULTED IN VERDICTS FOR PLAINTIFF OF $435,000 EACH - OVERTURNED BY TRIAL COURT NOW ON APPEAL.

(B) EXCLUDES ONE CASE ON APPEAL.

(C) EXCLUDES 13 CASES ON APPEAL.

SUMMARY

67 CASES TRIED

46 VERDICTS FOR PLAINTIFFS (17 ON APPEAL)

21 VERDICTS FOR DEFENDANTS

TRIAL EXPERIENCE

YEAR	NO. OF CASES	TOTAL AVERAGE VERDICT/CASE	J-M AVERAGE SHARE/CASE
1974	1	$ 79,436	$ 9,750
1975	1	214,079	214,079
1976	2	53,000	5,500
1977	4	15,174	1,686
1978	4	206,250	71,000
1979	6	16,667(A)	8,667(A)
1980	6	111,667(B)	68,750(B)
1981	43(C)	161,081	136,272(D)
TOTALS	67	$178,301	$123,641

(A) EXCLUDES 3 CASES RESULTED IN VERDICTS FOR PLAINTIFF OF $435,000 EACH - OVERTURNED BY TRIAL COURT NOW ON APPEAL.

(B) INCLUDES HOGARD IN LOS ANGELES - ASSUMES $250,000 DISPOSITION.

(C) NEAL CASE IS CONSOLIDATION OF 15 CASES.

(D) INCLUDES 13 CASES ON APPEAL.

SUMMARY

67 CASES TRIED

46 VERDICTS FOR PLAINTIFFS (17 ON APPEAL)

21 VERDICTS FOR DEFENDANTS

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AVERAGE DISPOSITION COSTS

	No. of Cases All Def's	No. of Cases J-M	Total Cost	Avg. Cost	Total J-M Cost	Avg. J-M Cost
Pre-1974	7		$ 192,500	$27,500	$ 60,998	$ 8,714
1974	4		120,936	30,234	19,748	4,937
1975	15		838,770	55,918	337,980	22,532
1976	17		1,153,090	67,877	360,910	21,230
1977	52		2,933,736	56,418	643,864	12,382
1978	174		10,527,000	60,500	2,400,852	13,798
1979	167	233	6,219,414	37,242	2,570,689	11,033
1980	396	402	30,337,459	76,610	9,318,926	23,181[A]
1981(thru 9/30)	510	519	22,932,513	44,966	15,357,573	29,591[B]

J-M TOTAL AND AVERAGE COST FIGURES COMPUTED ON TOTAL CASES DISPOSED OF BY J-M, WHICH REFLECT SOME PARTIAL SETTLEMENTS INVOLVING NOT ALL DEFENDANTS.

A Includes one case on appeal

B Includes eight cases on appeal

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AVERAGE DISPOSITION COSTS

	No. of Cases All Def's	No. of Cases J-M	Total Cost	Avg. Cost	Total J-M Cost	Avg. J-M Cost
Pre-1974	7		$ 192,500	$27,500	$ 60,998	$ 8,714
1974	4		120,936	30,234	19,748	4,937
1975	15		838,770	55,918	337,980	22,532
1976	17		1,153,090	67,877	360,910	21,230
1977	52		2,933,736	56,418	643,864	12,382
1978	174		10,527,000	60,500	2,400,852	13,798
1979	167	233	6,219,414	37,242	2,570,689	11,033
1980	395	401	30,087,459	76,171	9,068,926	22,616[A]
1981(thru 9/30)	510	511	18,293,360	35,869	12,064,534	23,610[B]

J-M TOTAL AND AVERAGE COST FIGURES COMPUTED ON TOTAL CASES DISPOSED OF BY J-M, WHICH REFLECT SOME PARTIAL SETTLEMENTS INVOLVING NOT ALL DEFENDANTS.

A Excludes one case on appeal

B Excludes eight cases on appeal

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PUNITIVE DAMAGES
TRIAL RESULTS

Case	Total Compensatory	Total Punitive	J-M Share Compensatory	J-M Share Punitive
Moran (I)	350,000	500,000	350,000	500,000
Noecker (F)	550,000	50,000	550,000	5,000
Neal (F)	95,570	39,800	24,725	31,180
Mancini	68,400	13,000	17,100	10,000
Foulke	57,750	90,000	14,437	30,000
Romano, L.	85,500	42,000	21,375	35,000
Hojacki	353,400	105,000	88,350	90,000
Romano, P.	252,700	53,000	63,175	50,000
Pascale	7,000	1	1,750	1
Henley	9,000	3,500	2,250	2,000
Satterwhite	138,802	60,500	34,701	60,000
Wilmer	90,000	10,000	22,500	10,000
Belz	105,000	36,000	21,250	36,000
Lenzi	76,000	25,000	19,000	20,000
Raymond	110,000	-	55,000	-
Mitchell	10,000	-	5,000	-
Bogdanski	10,000	-	5,000	-
Neal		Dismissed		
Janssens (S)	1,107,600	750,000	1,107,600	750,000
Fisher (F)	207,180	300,000	128,064	240,000

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ASBESTOS HEALTH CASES
DISTRIBUTION OF PLAINTIFFS

YEAR	FACTORY WORKER (ASBESTOS)	INSULATION WORKER	SHIPYARD WORKER	J-M ASBESTOS FACTORY EMPLOYEE	UNKNOWN	OTHER
PRE-1975	290	89	242	10	35	100
1975	31	59	5	5	0	6
1976	203	82	60	17	0	8
1977	71	194	218	113	2	27
1978	161	325	351	26	7	125
1979	189	489	1273	123	55	219
1980	654	721	2148	138	500	482
1981(11/30)	402	764	2005	521	874	1271
TOTALS	2001	2723	6302	953	1473	2238

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As filed with the Securities and Exchange Commission on September 9, 1981
Registration No. 2

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-14

REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

MANVILLE CORPORATION

(Exact name of Registrant as specified in charter)

Delaware	To be applied for
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
Ken Caryl Ranch Denver, Colorado (Address of principal executive offices)	80217 (Zip Code)

Registrant's telephone number including area code:
(303) 978-2000

G. EARL PARKER
President
Manville Corporation
Ken Caryl Ranch
Denver, Colorado 80217
(Name and address of agent for service)

Copy to:

WILLIAM D. TUCKER, JR., ESQUIRE
Davis Polk & Wardwell
1 Chase Manhattan Plaza
New York, N.Y. 10005

Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, $2.50 Par Value per share	25,222,274 shs.	$15.625	$394,098,031	$78,819
Cumulative Preferred Stock, $5.40 Series, $1.00 Par Value per share	4,635,489 shs.	$35.750	$165,718,731	$33,143

(1) Estimated solely for the purpose of computing the Registration Fee in accordance with Rule 457(c)(1) at the closing sale prices for Johns-Manville Corporation's Common Stock and Cumulative Preferred Stock, $5.40 Series on the composite tape for issues listed on the The New York Stock Exchange, Inc. on September 8, 1981.

JOHNS-MANVILLE CORPORATION
Ken-Caryl Ranch
Denver, Colorado 80217

JOHN A. MCKINNEY
Chairman of the Board and
Chief Executive Officer

September 11, 1981

Dear Stockholders:

You are cordially invited to attend a special meeting of the stockholders of Johns-Manville Corporation ("JM") to be held at The Montchanin Building, Room 11631, 100 West Tenth Street, Wilmington, Delaware 19801, on Thursday, October 29, 1981 at 10 A.M. (local time).

At the meeting, holders of JM's Common Stock will be asked to vote upon a proposed change in the corporate structure of JM. While holders of the JM $5.40 Preferred Stock are receiving notice of the meeting and are welcome to attend, they will not be entitled to vote.

The primary purpose of the special meeting will be to create a new parent company, Manville Corporation, organized under Delaware law. This will be accomplished by having JM merge with a subsidiary of Manville Corporation (the "Merger"). If the Merger is approved and consummated, each share of Common Stock ($2.50 par value) of JM will be converted into one (1) share of Common Stock ($2.50 par value) of Manville Corporation and each share of Cumulative Preferred Stock, $5.40 Series ($1.00 par value, $65 Stated Value) of JM will be converted into one (1) share of Cumulative Preferred Stock, $5.40 Series ($1.00 par value, $65 Stated Value) of Manville Corporation. Manville Corporation will also assume liability in respect of the publicly held and bank debt of JM and its subsidiaries and is expected to replace JM as guarantor of the privately held debt of Manville Forest Products Corporation and of a real estate subsidiary.

Following the Merger, Manville Corporation will have five directly owned subsidiaries, each of which will conduct one or more of the principal businesses of JM, most of which are presently conducted in the United States by one subsidiary of JM. On completion of the Merger and other corporate restructuring, separate subsidiaries of Manville Corporation will conduct, for example, the businesses conducted in foreign countries and export trade; the paper and other forest products operations; the building materials operations including fiber glass insulation; the roofing, pipe, asbestos fiber and asbestos products operations; and the mineral and industrial specialties operations. Please see the information in the accompanying Proxy Statement under the caption, "The Merger and Related Corporate Reorganization" for a statement of the businesses and assets involved in the reorganization and their ultimate places in the reorganized corporate structure.

The intent of the corporate reorganization is to separate clearly the various businesses in which JM is engaged and to have each principal segment function, and be perceived, as distinct from the other segments as to its business, assets and liabilities. It is believed by your Board of Directors and JM management that the public perception and understanding of JM has become distorted, to the

detriment of JM's stockholders, as a consequence of unfavorable publicity and litigation involving the asbestos-related aspects of JM's businesses. There has been insufficient recognition of the other major JM businesses which account for well in excess of a majority of JM's sales and earnings. With the reorganization, accompanied by a change of name to Manville Corporation, it is anticipated that a better recognition of these facts and a better understanding of JM's businesses will ensue.

The Board of Directors of JM believes the Merger and related corporate reorganization are in the best interests of JM and its stockholders. THE BOARD OF DIRECTORS OF JM UNANIMOUSLY RECOMMENDS THAT THE HOLDERS OF COMMON STOCK VOTE IN FAVOR OF THE MERGER.

I urge holders of JM Common Stock to read the accompanying proxy statement and the attachments carefully and to complete and sign the enclosed proxy card and return it as soon as possible in the enclosed postage-paid return envelope so that their shares will be represented at the meeting.

If the Merger is approved and becomes effective, stockholders of record on the effective date, presently expected to be October 30, 1981, will automatically become stockholders of record of Manville Corporation. It will not be necessary to turn in either the Preferred or Common certificates you now hold in exchange for stock certificates of Manville Corporation. You will receive your dividends, reports and other notices with respect to Manville Corporation exactly as you have in the past with respect to JM. ***Please do not send your stock certificates to JM or its Transfer Agent in connection with the Merger.***

Your vote is important regardless of the number of Common shares you hold. The affirmative vote of the holders of two-thirds of the outstanding shares of JM Common Stock is required to authorize the Merger. YOUR FAILURE TO VOTE WILL HAVE THE SAME EFFECT AS A NEGATIVE VOTE.

Sincerely Yours,



J. A. McKINNEY

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, IF YOU ARE A HOLDER OF COMMON STOCK, PLEASE COMPLETE, SIGN AND RETURN YOUR PROXY CARD. IF YOU ATTEND THE MEETING YOU MAY VOTE IN PERSON IF YOU WISH EVEN THOUGH YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD.

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1982

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February 5, 1982

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, February 5, 1982, at 9:30 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

* * *

Mr. McKinney also commented on his discussions with Marsh and McLennan regarding settlement of litigation and purchase of additional insurance. He also described the status of asbestos health litigation and the negative impact on possible settlement opportunities of the insurance company litigation.

* * *

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, 1981 — Commission file number 1-9247

Manville Corporation

(Exact name of registrant as specified in its charter)

Delaware	84-0856796
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Ken-Caryl Ranch, Denver, Colorado	80217
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 303-978-2000

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
Cumulative Preferred Stock ($5.40 Series) ($1.00 par value)	New York Stock Exchange
7.85% Sinking Fund Debentures Due 2004	New York Stock Exchange
9.70% Notes Due 1985	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 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 X No__

As of February 12, 1982, there were approximately 23,569,000 shares of the registrant's sole class of common stock outstanding. The aggregate market value of the voting stock held by nonaffiliates of the registrant as of February 12, 1982 was approximately $377,200,000.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents or portions thereof filed with the Securities and Exchange Commission are incorporated herein by reference:

(1) The Company's 1982 proxy statement filed pursuant to Regulation 14A is incorporated by reference into Parts I and III of this report.

(2) The Company's 1981 Annual Report to Shareholders for fiscal year ended December 31, 1981 is incorporated by reference into Parts I, II and IV of this report.

ITEM 3. LEGAL PROCEEDINGS

Occupational Health and Product Liability Litigation

At December 31, 1981, Johns-Manville Corporation and/or several of its subsidiary companies ("J-M" or "Johns-Manville") was a defendant or co-defendant in approximately 9,300 lawsuits brought by approximately 12,800 plaintiffs in which the plaintiffs allege damage to their health principally as a result of exposure to asbestos fiber either (i) during manufacturing operations in which asbestos fiber was used as a raw material, or (ii) in the course of handling products containing asbestos.

During 1981, J-M received an average of approximately 400 new cases per month brought by an average of approximately 525 new plaintiffs per month, which represents a significant increase over the 1980 average of 222 new cases and 387 new plaintiffs per month and the 1979 average of 141 new cases and 196 new plaintiffs per month. During 1981, a total of 802 cases representing 1,463 plaintiffs were the subject of final dispositions with J-M's share of the disposition costs being an average of approximately $15,430 per claim. Included within the cases disposed of during 1981 is one group settlement involving 683 plaintiffs. All disposition cost references exclude legal expenses. This average is slightly lower than Johns-Manville's historical average of approximately $15,940 per plaintiff for all years prior to 1981. Combining the claims disposed of in 1981 with all claims disposed of prior to 1981 (approximately 1,800 claims representing 2,475 plaintiffs) results in an average disposition cost to-date of approximately $15,640 per claim, substantially all of which has been charged to applicable insurance maintained by Johns-Manville. These disposition costs do not include the verdicts in 20 cases which are presently on appeal. The average judgment against J-M in these 20 cases is approximately $223,360.

During 1981, J-M was, for the first time, found liable by juries for punitive damages in five separate asbestos-related actions. More specifically, in *Moran v. Johns-Manville*, the United States District Court in Cleveland, Ohio rendered a judgment against J-M for $850,000, consisting of $350,000 compensatory and $500,000 in punitive damages. In *Neal v. Johns-Manville*, a consolidation of fifteen plaintiffs, the United States District Court (Eastern District) in Philadelphia, Pennsylvania found J-M liable for both punitive and compensatory damages. The court and jury considered damage issues for each plaintiff individually. Judgments were rendered in favor of fourteen plaintiffs and averaged $26,492 per plaintiff in compensatory damages. Punitive damages were awarded in eleven of these cases and averaged $31,200 per plaintiff. In the *Noecker* case, also tried in Pennsylvania, the jury returned a verdict in favor of the plaintiff and awarded $550,000 in compensatory damages and $50,000 in punitive damages. With respect to *Moran*, J-M has filed an appeal to the United States Court of Appeals for the Sixth Circuit. With respect to *Neal* and *Noecker*, J-M has filed appropriate post-trial motions. Should J-M not receive satisfactory relief as a result of such motions, it intends to appeal the *Neal* and *Noecker* decisions. J-M believes it has substantial grounds for such appeals.

On July 31, 1981, a jury in Jacksonville, Florida returned a verdict against J-M in *Janssens v. Johns-Manville* and awarded $1,107,600 in compensatory damages and $750,000 in punitive damages to the plaintiffs. J-M feels such damages are grossly excessive and unsupported by the evidence. The case has been appealed, and J-M believes there are numerous and substantial grounds for appeal.

In December 1981, a New Jersey jury returned a verdict in favor of *James Fischer* for $207,180 in compensatory damages and $300,000 in punitive damages. The portion of the verdict assessed against J-M was $128,064 and $240,000 for compensatory and punitive damages, respectively. Motions seeking post-trial relief have been filed. If relief is not granted, an appeal is planned. J-M believes there are substantial grounds for appeal.

J-M anticipates an increasing number of cases proceeding to trial in the future and thus there continues the uncertainty as to whether punitive damages will be assessed against J-M in any significant amount. J-M continues to believe, however, that it has substantial defenses to punitive damage claims, and no new evidence has been presented to support punitive damage allegations.

As discussed in more detail below, J-M believes that it has substantial defenses to the pending asbestos-health claims. However, the continued growth in the number of asbestos cases being filed against J-M and the level of disposition costs, now including punitive damages, have increased uncertainties concerning the future volume of asbestos cases and associated disposition costs of present and future cases. Because of these uncertainties, and the uncertainties arising out of the associated insurance litigation described below, the eventual outcome of this litigation cannot be predicted at this time nor can the ultimate liability to J-M, after application of available insurance, be reasonably determined in accordance with applicable accounting standards. As no such determination of loss can be made, no liability has been recorded in the financial statements. Depending on the manner and time in which these uncertainties with respect to J-M are resolved, the resulting costs to J-M and thus Manville Corporation could be substantial.

The plaintiffs in these pending asbestos-health cases typically fall into one of three categories:

(i) Persons who handled finished products manufactured by J-M and, typically, a number of other manufacturers, which contained asbestos and emitted dust when handled;

(ii) Employees of J-M subsidiaries who were exposed to asbestos while working at J-M facilities where asbestos fiber was used as a raw material in the production of finished goods; or

(iii) Employees of other companies who were exposed to asbestos fiber which was purchased directly or indirectly from J-M and, typically, a number of other suppliers, and used by such companies to produce finished goods.

The majority of the lawsuits have been brought by plaintiffs in the first category, typically insulation workers and other persons who installed or, for other reasons, handled or otherwise were exposed to asbestos insulation or other products containing asbestos acquired directly or indirectly from J-M and, in most cases, a number of other suppliers. The majority of plaintiffs in this category were employed as shipyard workers either directly by the federal government or by private shipyards under federal government contract and control, and were exposed to asbestos fiber in the course of construction, renovation and repair of ships, particularly during World War II. The litigation has disclosed that disease following such shipyard exposure resulted from poor working conditions in the shipyards over which J-M had no control.

This first category of plaintiffs typically allege that J-M and the other defendants failed in their duty to warn of the possible hazards associated with inhalation of asbestos fiber contained in dust emanating from such products. J-M believes that the preponderance of these asbestos-related injuries originated from exposure to asbestos dust in occupational settings many years ago. During the periods of alleged injurious exposure, medical and scientific authorities, government officials and companies supplying products containing asbestos fiber believed that the standard for dust levels for asbestos as recommended by the U.S. Public Health Service did not constitute a hazard to the health of workers handling asbestos-containing insulation products. Accordingly, J-M maintains that there was no basis for product warnings or hazard controls until the results of scientific studies linking pulmonary disease in asbestos insulation workers with asbestos exposure were made public in 1964. Thereafter, appropriate warnings were given, including warning labels on packages, instruction booklets and seminars for insulation contractors and, ultimately, asbestos-containing insulation products were discontinued by J-M.

The second category of plaintiffs consists of current and former employees of J-M subsidiaries who were exposed to asbestos fiber in connection with J-M's asbestos mining, milling or manufacturing operations. With respect to these plaintiffs, it is J-M's position that applicable federal and state workers' compensation statutes provide the exclusive remedy against the subsidiary employer for employment-related injuries in most of these actions. In cases brought by current and former employees of J-M in California, Illinois, Louisiana, New Jersey and Texas, some plaintiffs seek to avoid the limitations of this remedy by suing outside of the applicable workers' compensation statutes. Recently, the California Supreme Court ruled that in California such plaintiffs may, under certain conditions, be entitled to maintain such actions. In that decision, the Court held that in situations where an employee alleges that (1) his employer fraudulently concealed from the employee his diseases or injury and the cause of such disease or injury and (2) such fraud or concealment resulted in aggravation or harm to the employee, then the employee has the right to maintain an action directly against the employer and not be limited to the remedy provided by the applicable workers' compensation statutes. The immediate effect of this decision will be to allow California employees of J-M subsidiaries to maintain actions directly against the subsidiary employer under these limited conditions. Recovery by the employees will require proof of such fraud and aggravation. J-M believes it has substantial defenses to such allegations of fraud and aggravation.

The Louisiana cases are, in part, predicated upon Louisiana statutes permitting so-called executive liability actions, which have been brought against several past and present employees of J-M. J-M believes it has substantial defenses to these cases.

Typically, suits in this second category also name, as defendants, J-M and J-M subsidiaries other than the employer subsidiary. The claim of a J-M employee to proceed outside workers' compensation statutes against J-M and particular non-employer subsidiaries of J-M remains unresolved, but J-M believes that applicable workers' compensation statutes provide appropriate defenses to many aspects of such claims and that there are substantial defenses to other aspects of these claims.

The third category of plaintiffs consists of employees of other companies which used in their manufacturing operations asbestos fiber supplied by J-M and, in most cases, other suppliers. With respect to these actions, J-M maintains that the companies to which it sold asbestos fiber had the same limited knowledge as J-M of the potentially harmful effects of excessive exposure to asbestos dust in factory operations, and that, accordingly, J-M had no duty to advise such companies of risks of which they were already aware. Therefore, J-M maintains that the duty, if any, to warn of or protect against any hazards of exposure to airborne dust containing asbestos fiber rested with the plaintiffs' employers. The several actions brought by plaintiffs in this category include claims by approximately 683 former employees of Raybestos-Manhattan, Inc. against J-M and numerous other defendants. This is the largest single group of claims in this category. A settlement of these 683 claims has been effected in the United States District Court for the District of New Jersey.

It is J-M's belief that the asbestos-health claims and lawsuits pending and which may arise in the future relate to events and conditions existing in prior years. More specifically, J-M believes, based on the following factors and assumptions, that since at least the beginning of 1978, no significant new potential liabilities have been created for J-M with respect to diseases known to be related to asbestos and arising from asbestos fiber or asbestos-containing products manufactured or sold by J-M:

—That since the mid-1970's, J-M has sold asbestos fiber in the United States only in pressure pack, block form or other similar condition and not in a loose form;

—That by 1973, J-M had ceased domestic manufacture of thermal insulation products containing asbestos which are the products principally involved in disease claims made against J-M;

—That the Occupational Safety and Health Administration established a maximum exposure standard for asbestos fiber of 5 fibers per cubic centimeter in 1972 and lowered that standard to 2 fibers per cubic centimeter in 1976. It is assumed that compliance with such standards in the work place was achieved within a reasonable time following such promulgation and is continuing to-date; and

—With respect to any use not complying with the OSHA asbestos standards, J-M's defensive posture with respect to claims arising out of such environments will be significantly enhanced.

At March 9, 1982, there were included within the cases pending against J-M a series of indemnity actions and six purported class actions which are described in more detail below.

Indemnity Actions.

Included in the cases pending against J-M, are a number of claims by former employees of Johns-Manville against former contract physicians of J-M alleging that the physicians failed to advise such employees that they had contracted pulmonary disease associated with their exposure to asbestos fiber. In each case, the defendant physician seeks indemnity from J-M against any damages which may be awarded the plaintiffs. In addition, in each case the physician seeks general damages of $2,000,000 and punitive damages of $10,000,000 for breach of contract, misrepresentation and emotional distress. One physician was an unsuccessful defendant in an earlier case brought by a former employee on the same grounds, in which a judgment of $383,026 was awarded to the plaintiff. The physician is presently seeking indemnification from J-M against the judgment in this case.

There are also two independent actions in which manufacturers of products containing asbestos seek indemnification from J-M for sums paid by these manufacturers in separate cases on the grounds that J-M supplied asbestos which was incorporated into their products. J-M believes it has substantial defenses to these indemnity actions.

Purported Class Actions.

J-M is a defendant in six purported class actions, three of which are suits brought by plaintiffs in the second category described above—present and former employees of J-M subsidiaries who during the course of their employment in J-M's facilities were exposed to asbestos fiber. These employee and former-employee cases and the remaining purported class actions are summarized as follows:

(i) Three purported class actions brought on behalf of all present and former employees of J-M's Manville, New Jersey plant wherein the plaintiffs in one case each seek $500,000,000 in damages and in the remaining two the plaintiffs seek unspecified general, special and punitive damages;

(ii) Three purported class actions involving the third category of plaintiffs—those who allege injury due to exposure during manufacturing operations to asbestos fiber supplied to their employers by J-M and other defendants. The plaintiffs in these cases each seek unspecified compensatory and punitive damages.

Matters Relating to Insurance Coverage.

J-M has maintained over the years various policies of insurance in differing amounts to protect J-M against the cost of liability for product-related personal injury or property damage. In years prior to 1976, the insurance purchased was typically in layers with J-M retaining a small self-insured deductible and purchasing a primary layer of coverage and one or more layers of excess coverage. Subsequent to 1976, for product-related liability, J-M has retained larger self-insured layers and in some cases additional per claim deductibles.

The correct interpretation of a number of provisions of the various policies of insurance has been a matter of dispute between J-M and its primary and excess insurers. In addition, other questions have arisen as to the existence of insurance coverage in the 1934–1951 period. On March 31, 1980, J-M

filed a declaratory judgment action in the Superior Court of the State of California for the City and County of San Francisco seeking to have such questions resolved by that court. All of J-M's domestic carriers (both primary and excess) and two of J-M's Canadian primary insurers are presently named as defendants in the California action. In March 1981, J-M's California action was, by court order, consolidated in a "coordinated" proceeding with three similar California actions involving other asbestos manufacturers and their insurers. The scope and effect of this coordination have not yet been determined.

The San Francisco action involves certain issues which are also being litigated in separate proceedings pending in Canada and Massachusetts. The Massachusetts action filed in the United States District Court for the District of Massachusetts concerns the existence of primary insurance coverage and all of the insurance coverage issues described in the following paragraph for the limited period 1934-1951. With respect to coverage placed with Canadian insurers, the California court previously stayed proceedings against one of J-M's Canadian insurers due to the existence of a separate Canadian action brought in Canada by that insurer. However, the court has granted a motion to intervene filed by one of J-M's domestic primary carriers and has allowed this carrier to proceed against the previously excluded Canadian carrier.

The principal issues involved in the domestic actions (San Francisco and Boston) are interpretations as to the kind of property damages insured against, the dates of occurrence of property damage, the dates of occurrence of asbestos-related disease, the satisfaction by J-M of any duty it may have had to disclose to carriers knowledge it may have had with respect to the harmful effects of excessive exposure to asbestos fiber and asbestos-containing products, and the method of allocation of coverage to the asbestos-health claims.

J-M is also in litigation in Canada with one of its primary carriers concerning coverage of its Canadian entities. The issue involved in this suit is limited to J-M's duty to disclose to that carrier knowledge it may have had with respect to the harmful effects of excessive exposure to asbestos fiber and dust from asbestos-containing products and the existence of asbestos-health claims against J-M prior to the issuance of the insurance policies.

A resolution of such issues by the San Francisco court, the court in Canada and the court in Massachusetts will provide J-M and its insurance carriers with an improved ability to assess the impact of the cost of insured events including asbestos-related personal injury claims. While any litigation involves uncertainties, J-M believes that its position with respect to these issues is sound and in accord with the increasing weight of judicial precedent.

On April 2, 1981, J-M was notified by its principal primary insurance carrier that the limits of its primary coverage had been exhausted and J-M must look to its excess (or umbrella) insurance for reimbursement of costs and expenses associated with the asbestos-health litigation. While J-M does maintain substantial amounts of excess coverage, J-M does not agree that its primary coverage has been properly exhausted and is continuing to work with the primary and excess carriers to resolve this matter pending ultimate resolution of the litigation described above. At the present time, only one excess carrier is providing current funding for such costs and expenses. The funding amounts to an average of approximately 35% of the total with the balance being advanced by J-M. J-M believes that substantially all of the amounts paid by it to-date will be recoverable from its insurance carriers.

To protect its interests in light of the above-described insurance litigation, J-M instituted suit against its principal broker, Marsh & McLennan, Inc., on November 23, 1981 in the Superior Court for the State of California, for the City and County of San Francisco. Among the issues to be resolved in this litigation is whether Marsh & McLennan, Inc. breached its obligations to obtain appropriate insurance coverage for J-M.

Securities Litigation.

J-M is also a defendant in a purported class action commenced May 4, 1979 by a shareholder in the United States District Court for the Southern District of New York. The complaint charges violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The plaintiff alleges misrepresentations in, and material omissions from, J-M's published documents with respect to matters relating to J-M's potential liability as a result of asbestos-related health litigation. The class purported to be represented by the plaintiff consists of all persons who bought J-M's common stock between April 1, 1975 and October 15, 1978 and who owned such stock on October 15, 1978. The damages claimed are in an unspecified amount representing the loss suffered through purchases of common stock at market prices allegedly inflated by J-M's violations of the securities law, followed by a decline in the market value of the common stock allegedly resulting from disclosure of relevant facts in October 1978. J-M denies that it has made the alleged misrepresentations and omissions, and believes that it has substantial defenses to these charges.

In May 1981, various matters concerning this litigation were submitted to the District Court for rulings. On November 13, 1981, the District Court issued its rulings on two such matters: 1) the court granted the plaintiff's motion for class certification; and 2) the court denied Johns-Manville's motion for summary judgment. If permission is granted from the United States District Court and the Second Circuit Court of Appeals, Johns-Manville will file an interlocutory appeal to the Second Circuit Court of Appeals seeking a reversal of the District Court's rulings as to class certification and J-M's motion for summary judgment. On February 25, 1982, Johns-Manville filed the formal request with the District Court for permission to file an interlocutory appeal. It is expected that the District Court will not rule on this request until at the earliest the end of May 1982.

* * *

March 5, 1982

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF MANVILLE CORPORATION was held in the Board Room on the second floor of Morgan Guaranty Trust Company, 522 Fifth Avenue, New York, New York, on Friday, March 5, 1982, at 9:00 a.m. pursuant to due notice.

* * *

Report of Chairman of the Board and Chief Executive Officer

* * *

Finally, Mr. McKinney advised the Board of the status of negotiations with Home Insurance Company on litigation regarding the extent of insurance coverage available to Johns-Manville Corporation. The Board authorized Management to proceed with the discussions and to settle the litigation relating to this issue as Management deems appropriate.

* * *

August 4, 1982

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF MANVILLE CORPORATION was held in the Board Room, Manville Corporation World Headquarters, on Wednesday, August 4, 1982, at 9:30 a.m. pursuant to due notice.

* * *

Report on Asbestos Health, Insurance and Other Legal Proceedings

G. E. Parker reviewed the volume of litigation filed against the Corporation and its subsidiaries from 1975 to date. Included in this history was a description of the growth in Asbestos/Health related litigation filed against Johns-Manville Corporation and its subsidiaries. The manner in which the volume of this litigation has been disclosed to the public through disclosure documents required by the Securities and Exchange Commission was also described. Finally, Mr. Parker reviewed projections of the growth in incidence of asbestos related disease made by former Health, Education and Welfare Secretary Califano, Dr. Irving Selikoff and others.

Mr. VonWald reviewed for the Board the formation of a Litigation Analysis Group comprised of inside and outside counsel. The position of the Corporation or its subsidiaries with respect to various litigation matters including Abrams v Johns-Manville Corporation, Asbestos/Health litigation and litigation related to insurance coverage was reviewed. The review of Asbestos/Health related litigation included analyses of the trial experience, incidence of punitive damages, and current disposition costs.

Finally, Mr. VonWald described the activities of the Litigation Analysis Group mentioned earlier. This group concluded some time ago that there was a definite need to attempt to project the future growth in litigation in order to determine the ultimate financial impact of this litigation on the Corporation. The process of selecting outside consultants retained by outside counsel was described.

Mr. Beasley joined the meeting at this time.

J. A. McKinney disclosed to the Board that the outside consulting group described by Mr. VonWald had completed their study and reported their findings to counsel for the Corporation within the past week. He described the process that was employed by Management to asses the validity and credibility of the premises and assumptions and the conclusions flowing therefrom. The actual results and conclusions were presented to the Board.

Mr. McKinney advised the Board that, in his opinion and on the advice of counsel, the Board should take whatever steps are necessary to assess the conclusions drawn in the Consultants' study and to take such steps as are appropriate if those conclusions are accepted. To this end he recommended that a committee of Directors consisting of J. P. Schroeder, W. F. May, W. D. Tucker and C. J. Zwick be appointed to oversee a review of the consultants' work. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED that a Special Committee of the Board be created to oversee a review of consultants' reports provided to counsel for the Corporation and to assess and report to the full Board the potential future impact on the Corporation of pending and anticipated asbestos health cases against Johns-Manville Corporation and its subsidiaries, including the possible need for creation of materially large reserves and the strategic and financial options available to the Corporation in case incidence of new litigation occurs at the rates forecasted in the Consultants' studies.

RESOLVED that J. P. Schroeder (Chairman), W. F. May, W. D. Tucker and C. J. Zwick are appointed members of the Special Committee to serve at the pleasure of the Board of Directors and otherwise in accordance with the By-Laws of the Corporation.

Following appointment of the Special Committee, Mr. McKinney reviewed the text of a proposed news release announcing receipt of the Consultants' studies, the potential impact on the Corporation's consolidated financial position and earnings, the formation of the Special Committee and announcement of dividend action to be taken later in the Meeting. The text of the release, as modified, and subject to whatever dividend action is taken later in the Meeting, was approved.

* * *

LEGAL PRESENTATION

BOARD OF DIRECTORS MEETING

AUGUST 4, 1982

DENVER, COLORADO

PRIVILEGED AND CONFIDENTIAL
ATTORNEY/CLIENT COMMUNICATION

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Abrams v. Johns-Manville

Filed: May 4, 1979

Court: United States District Court for the Southern District of New York

Plaintiff: Individual and all persons who purchased J-M stock during the period of April 1, 1975 through October 15, 1978 and who owned J-M stock on October 15, 1978.

Complaint: J-M misrepresented to the public that it had substantial defenses to the asbestos litigation, and that it had adequate insurance.

Due to misrepresentations by J-M, the market price was artificially high when these people purchased stock and that when the market later perceived the severity of the asbestos situation, the price of the stock dropped.

Damages: Plaintiff seeks lost value in the stock. Asserting the total damages are near $300 million.

Status: Class has been certified and notices will be going out to all members of the class including Manville employees.

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Abrams v. Johns-Manville

This action was commenced on May 4, 1979, in the United States District Court for the Southern District of New York on behalf of plaintiff and all persons who owned Johns-Manville Corporation ("J-M") common stock on October 15, 1978, and had purchased such stock during the period April 1, 1975, through October 15, 1978.

The central allegation of the complaint is that JM knowingly misrepresented in 10-K forms and annual reports during 1974-1977 that it had substantial defenses to asbestos related tort suits. Although plaintiff has since conceded that she never saw the JM documents which contain the alleged misrepresentations, the complaint alleges that plaintiff purchased her JM stock "in reliance on the integrity of the market" which, in turn, was allegedly adversely affected by the alleged misrepresentations and omissions in the JM documents. The complaint asserted claims based on Section 11 of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

Determination of plaintiff's motion to have this suit certified as a class action was held in abeyance for approximately two and one-half years while JM made motions to dismiss the complaint (which resulted in dismissal of the Section 11 claim) and to disqualify a law firm which was acting as co-counsel to plaintiff (which succeeded in forcing that law firm to withdraw from this action).

Last May, JM simultaneously moved for summary judgment and submitted papers in opposition to the class motion. The principal ground in each instance was that plaintiff's claim under Rule 10b-5 must fail since her deposition testimony established that in purchasing JM stock plaintiff relied upon a certain newspaper article describing tax benefits of installing insulation, not on the "integrity of the market". Nevertheless, the district court held that plaintiff had stated a case of "fraud on the market" sufficient to withstand summary judgment and overruled JM's contention that because of plaintiff's non-reliance, she was an atypical representative of the proposed class, which would disqualify her from acting as a class representative and prevent certification of the case as a class action.

Thus, the case is proceeding as a class action, with discovery currently being conducted in preparation for a trial within approximately twelve months.

A class notice will shortly be mailed to all persons (including Manville employees) who held JM stock on October 15, 1978, and who purchased such shares between April 1, 1975, and October 15, 1978.

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ASBESTOS HEALTH LITIGATION SUMMARY

The following is a brief summary of the materials contained in this Section:

1. Litigation Volume.

As indicated on the first two charts, our litigation volume continues to grow from year to year. During the first six months of 1982 we continued to receive more lawsuits on the average per month than we received during 1981. The average number of plaintiffs per month has dropped slightly however. This trend is consistent with our view that the volume of cases will continue at a fairly high level for sometime.

2. Disposition Cost Summary.

This table depicts the changes in disposition costs for Asbestos Health litigation cases over time. As is evidenced from the table, we have seen a significant growth in the average disposition costs (which excludes legal expenses) from 1981 to 1982. The numbers in parentheses include verdicts on appeal and the numbers without parentheses exclude such verdicts.

3. Cost Information By Disease.

The three graphs following the Disposition Cost Summary chart depict the changes in disposition costs of Asbestos Health Litigation over time by the various diseases involved. These charts are based upon smoothing techniques such that extreme changes on a monthly or daily basis are smoothed to develop some trend in the data. The dotted line on each chart is the average disposition cost (excluding defense costs and punitive damages) but including all cases disposed whether for zero or for a large amount of money. The solid line on each chart depicts the average dispostion cost (excluding defense costs and punitive damages) but also excluding all cases in this disease catagory which were disposed of for no payment by the Company. The current average disposition cost for the various diseases as of this point in time are as follows:

Mesothelioma - $75,000 per case

Lung Cancer - $45,000 per case

Asbestosis - $25,000 per case

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4. Average Disposition Costs Are Rising.

This next table charts the average disposition cost (excluding defense costs but including all appeals) for the various diseases over time indicating the growth of costs and also the disparity from one disease to the other. The average dispostion cost from 1981 to 1982 (from $17,770 to $29,210) grew approximately 64%.

5. Trial Experience.

The Trial Experience table details the number of cases tried during the indicated time periods and the average cost to Johns-Manville excluding defense costs. Our defense costs are currently running approximately $65,000 per case for each case tried.

6. Trial Summary.

This table details the number of cases tried to date and our record with respect to those cases.

7. Punitive Damages - Trial Results.

The first punitive damage award against Johns-Manville arose in 1981 followed by four others during the year for an average of $376,000 per case. In the first half of 1982 we also had punitive damages assessed against the Company in five cases with the average per case rising to $844,000. During 1981 we tried a total of 34 cases and had 5 punitive damage verdicts. During the first half of 1982 we have tried 33 cases and had 5 punitive damage verdicts and thus the ratio of punitive damage verdicts to total trials is running at approximately the same level. As a general rule punitive damages are not insurable.

Summary - Asbestos Litigation Significant Developments

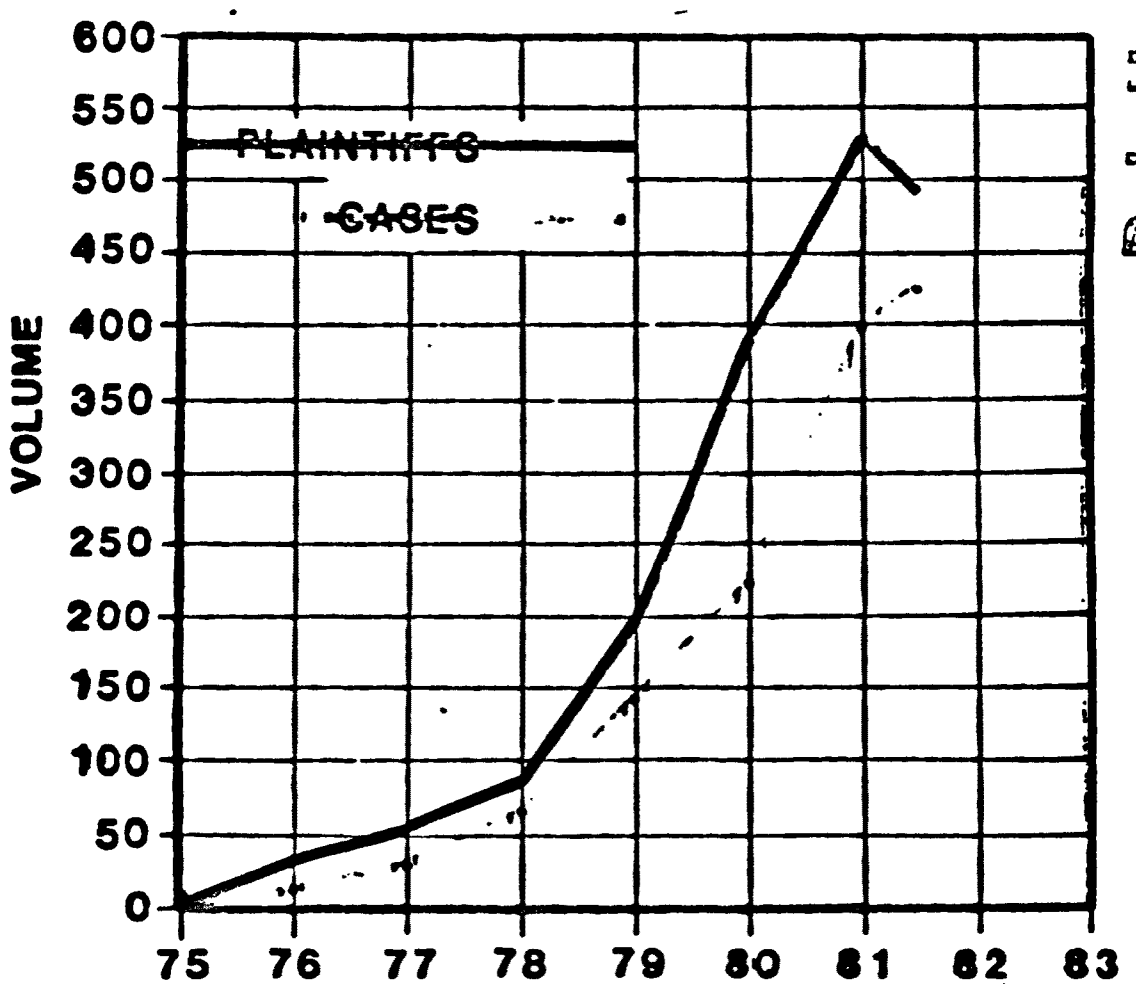
This table summarizes all the previous tables and includes some new information on the second page which is of interest.

8. Asbestos Removal Cases.

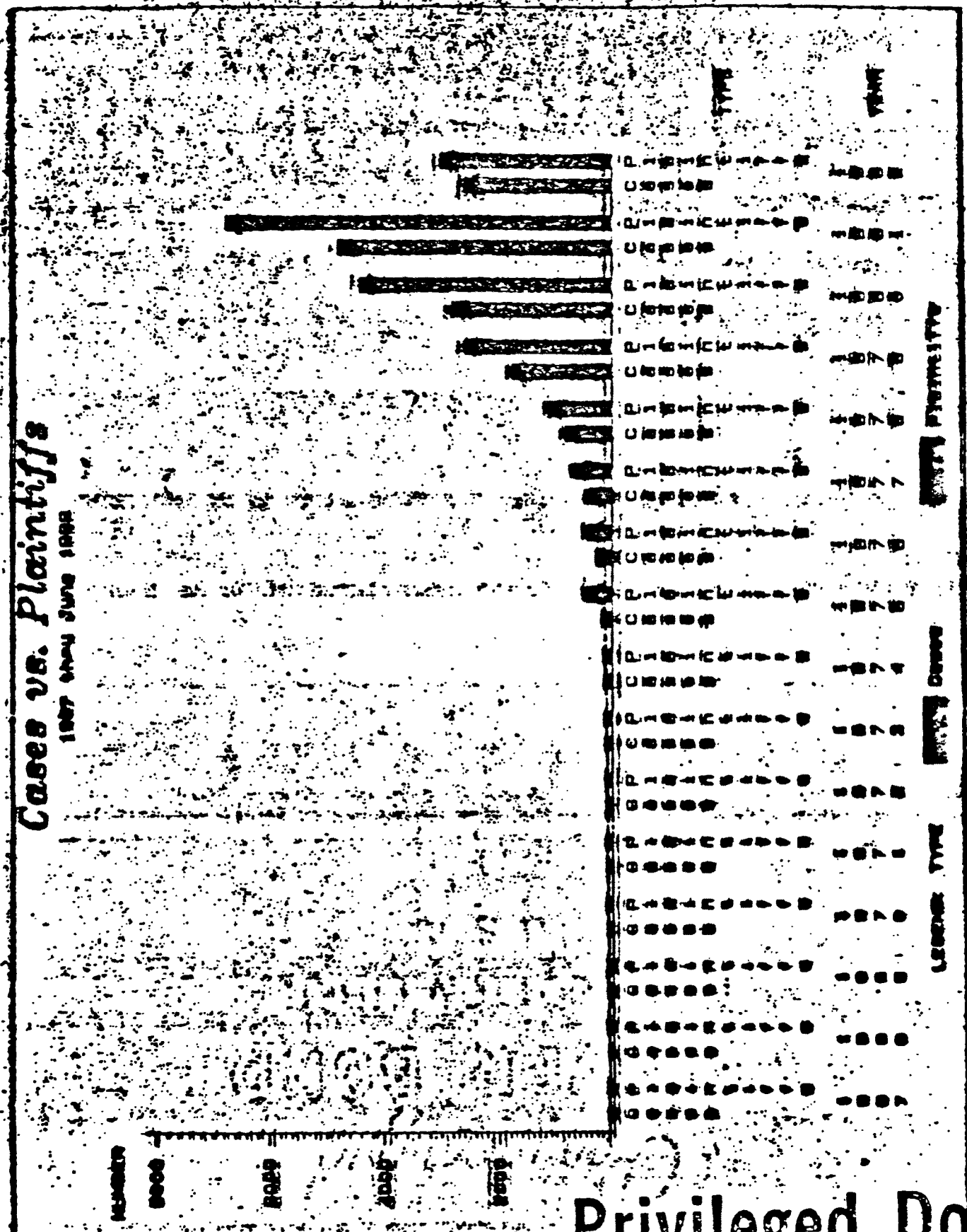
During the last two months the Company has received four separate lawsuits relating to the removal of asbestos materials from public buildings and schools. These cases are detailed on the table at the end of the Asbestos Litigation Section. In addition to these four cases, the Company has received information that the City of Los Angeles (representing approximately 13,000 schools) and the State of Tennessee are both considering similar actions.

Litigation Volume

YEAR	AVERAGE PER MONTH CASES	PLAINTIFFS
1976	13	31
1977	30	52
1978	65	83
1979	140	196
1980	222	387
1981	397	525
1982 (First 6 Months)	425	492



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Cases vs. Plaintiffs
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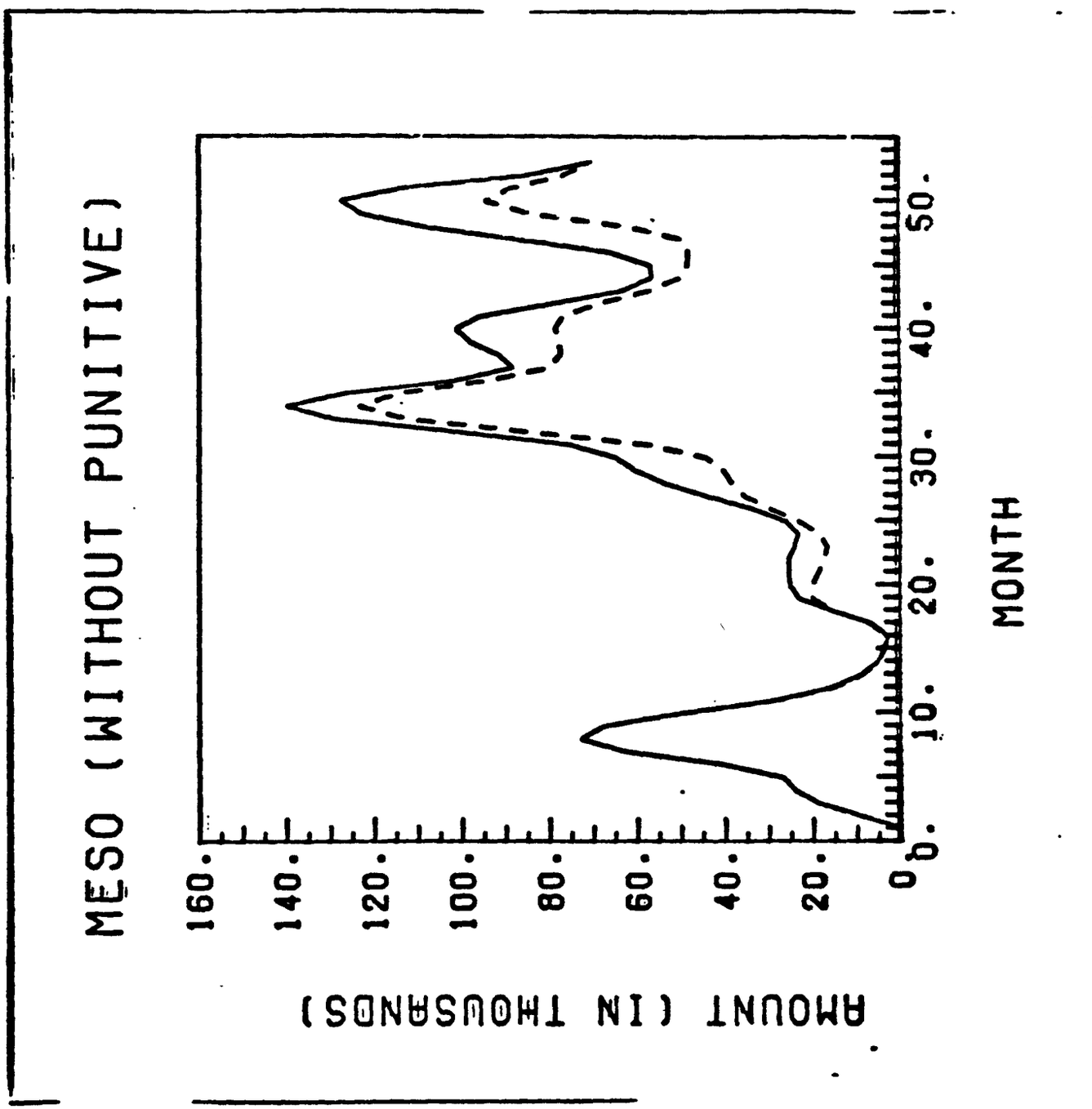
DISPOSITION COST SUMMARY

YEAR	NO. OF PLAINTIFFS	AVERAGE COST PER PLAINTIFF[A] TOTAL	J-M SHARE
Pre-1976	28	40,135	13,904
1976	21	71,244	17,544
1977	25	46,217	11,015
1978	119	71,437	21,632
1979	227	35,025	12,106
1980	471	68,759 (71,011)[B]	22,710 (24,359)[B]
1981	1912	28,528 (31,753)[B]	15,018 (17,596)[B]
1982 (1st Qtr.)	316	24,434 (35,370)[B]	13,941 (23,954)[B]
1982 (2nd Qtr.)	399	35,651 (48,561)[B]	22,357 (33,692)[B]

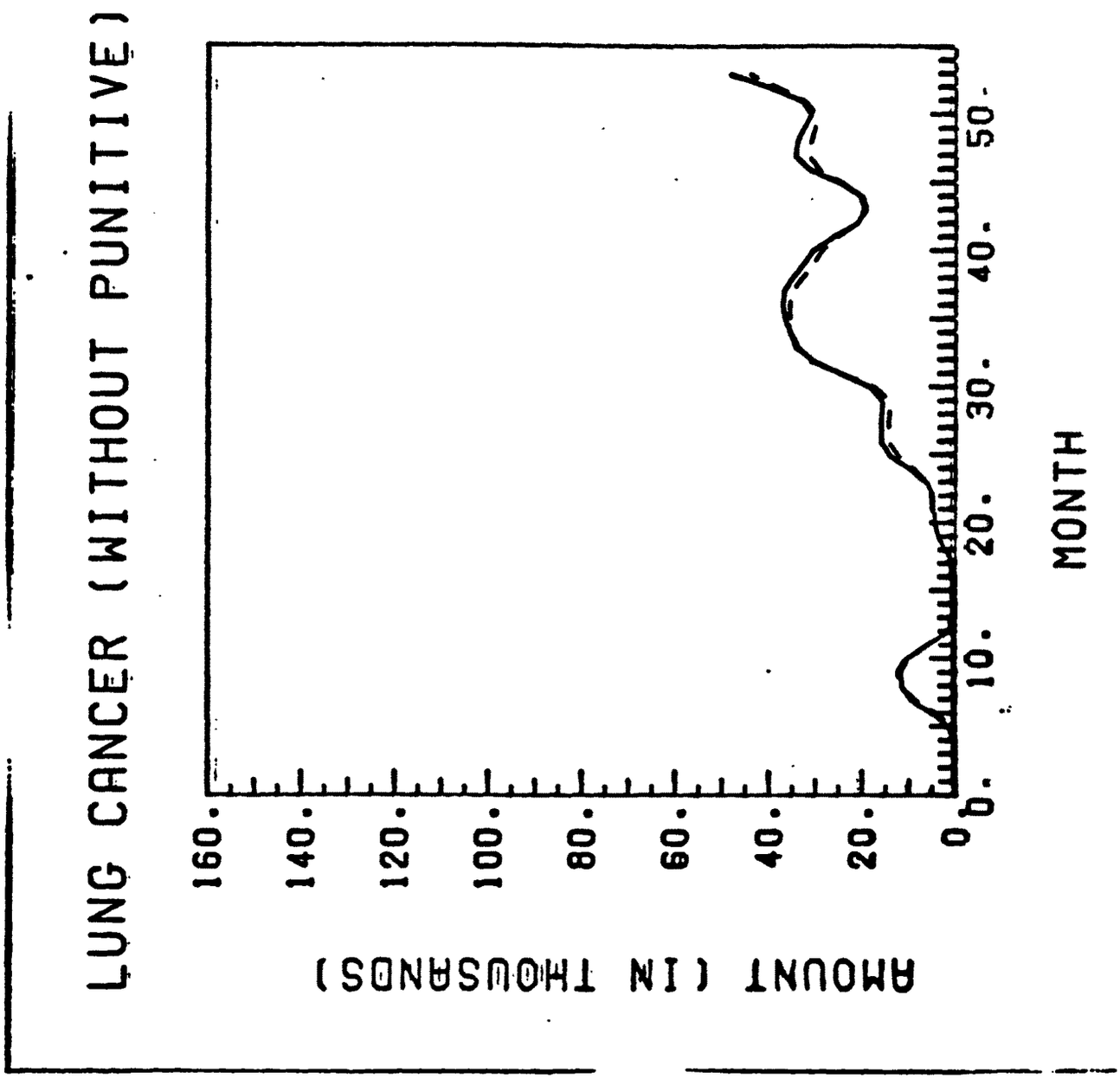
A - Excludes legal expenses.

B - Includes 26 verdicts now on appeal.

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AVERAGE DISPOSITION COSTS,
FOR MAJOR DISEASE CATEGORIES, ARE RISING
(Excluding Defense Costs)

	1980	1981	1982
Meso	$ 65,270	$ 61,940	$ 139,970
Lung Cancer	27,160	35,460	90,240
Other Cancer	10,290	16,250	22,280
Asbestosis	22,080	20,230	25,650
Other Disease	18,900	2,860	20,000
None Specified	8,340	34,260	1,160
AVERAGE	$ 24,590	$ 17,770	$ 29,210
NO. DISPOSED	(469)	(1,913)	(719)
TOTAL	$11,532,000	$33,994,000	$21,002,000

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TRIAL SUMMARY

92 Cases Tried

53 Verdicts for Plaintiffs (24 on appeal)

38 Verdicts for Defendants (2 on appeal)

1 Mistrial

1 Plaintiff verdict decided for J-M on appeal, case remanded

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TRIAL EXPERIENCE

Year	Number of Cases Ex/Appeals	Number of Cases Incl/Appeals	J-M Average Share/Case Ex. Appeals	J-M Average Share/Case Incl. Appeals
1974	1	1	$ 9,750	$ 9,750
1975	1	1	214,079	214,079
1976	2	2	5,500	5,500
1977	4	4	1,686	1,686
1978	4	4	71,000	71,000
1979	6	6	141,583	141,583
1980	5	6	50,000	174,862
1981	22	34	27,674	175,812
1982	20	33	21,515	254,424

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TRIAL RESULTS

Punitive Damages

Year	Number of Cases	Average of Punitive Damages
1981	5	$ 376,600
1982	5	844,000

Summary

Of 44 courts to consider punitive damages, only 10 have returned a verdict of punitive damages.

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SUMMARY

ASBESTOS LITIGATION SIGNIFICANT DEVELOPMENTS

1) VOLUME:

YEAR	CASES	MONTHLY AVERAGES PLAINTIFFS
Pre-1979	101	175
1980	231	364
1981	397	558
1982 (through 2nd quarter)	425	492
Total - Received to Date	13,247	19,061
Total - Open as of 6/30/82	10,977	15,542

2) COSTS:

OVERALL AVERAGES

Excluding Defense Costs

YEAR	NUMBER OF PLAINTIFFS	J-M AVERAGE	
Pre-1980	420	15,132	
1980	471	22,710	(24,359)
1981	1912	15,018	(17,596)
1982-1st Qtr.	316	13,941	(23,954)
2nd Qtr.	399	22,357	(33,692)

Current Average Costs By Disease

	Damages	Defense	Total
Meso	75,000	7,500	82,500
Lung Cancer	45,000	7,500	52,500
Asbestosis	25,000	7,500	32,500
All Diseases	32,500	7,500	40,000

3) TRIALS

	Total	1982
Won	38	13
Lost	53	20
	91	33

PUNITIVE DAMAGES AWARDED IN 1982 --

- HANSEN $1,000,000
- BUNCH $220,000
- DORELL $1,000,000
- JACKSON $500,000
- CAVETT $1,500,000

4) CLASS ACTIONS

A) NO CHANGE -- NO CLASS HAS YET BEEN CERTIFIED

5) NEW JERSEY SUPREME COURT ELIMINATED STATE OF THE ART DEFENSE.

6) COLLATERAL ESTOPPEL HAS BEEN DENIED BY THE U.S. FIFTH CIRCUIT COURT OF APPEALS.

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Asbestos Removal Cases

Schools and Public Buildings

History

1. June 14, 1980: Asbestos School Hazard Detection and Control Act passed identifying asbestos hazard in schools and requiring Attorney General to report on responsibility.

2. September 21, 1981: Attorney General's Asbestos Liability Report to Congress published. Urged school districts to seek counsel to initiate lawsuits for removal. Report specifically identified Johns-Manville as a major supplier of asbestos.

3. May 27, 1982: EPA issued final rule on asbestos materials in schools requiring schools to do certain things including identification of asbestos, instruction to employees and inspection. (110,000 schools estimated)

4. Result: Six lawsuits have now been filed.

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Asbestos Removal Cases

1. School District of Lancaster vs. Asarco, Johns-Manville, et al.
   Class action on behalf of all public and private educational entities in the State of Pennsylvania seeking removal of asbestos material.

2. City of Erie vs. Asarco, Johns-Manville, et al.
   Class action on behalf of all government entities which own or administer buildings in Pennsylvania seeking removal of asbestos, plus other damages.

3. School District of Philadelphia vs. Johns-Manville, et al.
   Suit by school district for removal of asbestos.

4. Richland County School District vs. Johns-Manville, et al.
   Seeks removal of asbestos from all schools in the state of South Carolina.

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INSURANCE LITIGATION SUMMARY

The following is a brief summary of the materials contained in this Section:

1. The first chart is a chart of the insurance coverages Johns-Manville believes it has commencing in 1934 and running through 1980. All of this coverage is the subject of various items of litigation described in the next chart. The total amount of insurance from 1934 through 1980 aggregates in excess of $600 million.

2. The second chart of this section details the five items of litigation the Company is currently involved in and relating to its insurance coverages. The less significant item of litigation is the San Francisco litigation under item four which encompasses substantially all of our insurance coverages detailed on the preceding table. This litigation, which was filed in March of 1980, is now not expected to reach final judgement until late 1987.

The Boston case under item one is proceeding toward trial some time in 1983. Decisions with respect to the this case are being made at this time as Boston represents the only jurisdiction in the United States to adopt a manifestation type of coverage theory. Johns-Manville is espousing an exposure type of coverage theory.

The Montreal case described under item two is proceeding towards trial in May of 1983 and we continue to be very optimistic about the results of that case.

3. In connection with the insurance litigation we have commenced settlement discussions with a number of the parties involved in the San Francisco case. More specifically, we have been in settlement discussions with the Home Insurance Company (representing approximately 20% of the total coverages). Those discussions are nearing the point in time when final agreement will be achieved with the Home Insurance Company. Assuming such agreement is reached, final settlement with the Home involves the Home Insurance Company receiving approval from all of its reinsurers. While we do not know the total number of companies and individuals involved in this reinsurance, we expect that the number is in excess of 50 individual parties. We are doing everything possible in attempts to achieve this settlement and receipt of funds before the end of year. If such settlement is forthcoming, it will result in approximately $65 million in cash being paid to the Company of which $40 million would be free for immediate use by the Company and the other $25 million being potentially subject to restriction.

19[illegible]-1945	1945-1947	1947-1951	1[illegible]-1[illegible]3	[illegible]3-1960	1960-[illegible]3	1963-1965
[C.U.]	C.U. 150,000* (25,000-PD)	Travelers 500,000 (100,000-PD)	Travelers 500,000 (100,000-PD)	Travelers 500,000 (100,000-PD)	Travelers 500,000 (100,000-PD)	Travelers 500,000 (100,000-PD)
		[Peerless] (Limits Unknown)	[London Mkt.] 2,000,000*	Lloyds 1,000,000*	[C.U.] 1,000,000	Home 7,000,000
				Lloyds 4,000,000	Lloyds 4,000,000	7,500,000
					$5,500,000	

1965-1971	1971-1972	1972-1975	1975-1976	1976-1977	1977-1978	1978-1979	1979-1980
Travelers 500,000 (100,000-PD)	Travelers 500,000 (100,000-PD)	Travelers 500,000 (PD-250,000- 1,000,000-1974-5	Travelers 2,000,000	Self-Insured $3,500,000	Rocky Mountain 5,000,000	Rocky Mountain 12,500,000 (3,500,000)**	Self-Insured $12,500,000 (3,500,000)**
Home 10,000,000	Home 10,000,000	Home 10,000,000	Home 4,000,000	Manhattan 3,000,000	United Ins. via Rocky Mtn. 1,000,000	Lloyds 5,000,000	Lloyds 5,000,000
INA CNA C.U. 15,000,000	INA CNA C.U. 15,000,000	Midland 15,000,000	Northbrook 15,000,000	Northbrook 5,000,000	Northbrook 7,000,000	Lloyds 5,000,000	Lloyds 5,000,000
$25,500,000	Midland 10,000,000	Home CNA 10,000,000	Lexington 5,000,000	Colombia 5,000,000	Northbrook 5,000,000	Lloyds Lexington National Union 15,000,000	Lloyds National Union ISLIC 15,000,000
	$35,500,000	$35,500,000	Home Aetna 10,000,000	National Union 5,000,000	Puritan National Union 5,000,000	AIU The Aetna 10,000,000	The Aetna AIU Midland 10,000,000
			$37,000,000	Lexington American Re 5,000,000	Lexington American Re 5,000,000	Prudential Re AIU American Re National Union 15,000,000	Gibralter AIU National Union Northeastern ISLIC Lexington Centaur 15,000,000
				Granite State The Aetna 10,000,000	The Aetna Granite State 10,000,000	$62,500,000	
				Granite State Prudential Re First State Highlands 15,000,000	Granite State Prudential Re National Union Puritan 15,000,000		National Union Lloyds Granite State INSCO [Missing Policy] 10,000,000
				Puritan 2,000,000	National Union 2,000,000		72,500,000
				$53,500,000	$55,000,000		

LEGEND
[Insurer] — Policy Missing or Incomplete
* — No annual aggregates for BI. Figures shown are per person or "any one accident or occurrence" where there are no separate per person limits.
** — Non Asbestos Products

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INSURANCE LITIGATION

1. BOSTON — COMMERCIAL UNION VS. JOHNS-MANVILLE
   - A) Filed: January 4, 1979
   - B) Coverage: 1934 - 1948 Primary U.S.
   - C) $37 Million Plus Costs of Defense

2. MONTREAL — CANADIAN INDEMNITY VS. CANADIAN J-M
   - A) Filed: August 8, 1979
   - B) Coverage: 1970 - 1976 Canadian Primary
   - C) $8 Million

3. TORONTO — J-M CANADA VS. SUN ALLIANCE
   - A) Filed: November 2, 1979
   - B) Coverage: 1946 - 1970 Canadian Primary
   - C) $12 Million

4. SAN FRANCISCO — JOHNS-MANVILLE VS. THE HOME
   - A) Filed: March 31, 1980
   - B) Coverage: 1947 - 1980 Primary and Excess - U.S. and Canada
   - C) $500 - $600 Million

5. SAN FRANCISCO — JOHNS-MANVILLE VS. MARSH & MCLENNAN
   - A) Filed: November 23, 1981
   - B) Broker Negligence
   - C) General Damage Plus 700 Million Punitive

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PROJECTION SUMMARY

The following is a brief summary of the materials in this Section:

1. The first table contains a summary of seven independent studies done by individuals in the past attempting to project annual cancer deaths associated with asbestos. These projections range from 68,000 annual cancer deaths per year down to 4,000 annual cancer deaths per year. Substantially all of the studies include asbestos related annual cancer deaths through the year 2000 and many of them project cancer deaths associated with asbestos exposure beyond the year 2000.

In a later table we have indicated the results of the Company's sponsored studies in comparison with each of the seven listed on this first table.

2. Pages two and three of this section contain a chronological summary of the statements made by Johns-Manville Corporation concerning Asbestos Health litigation. These are the statements prepared and submitted by the Company with its Annual Reports filed with the Securities and Exchange Commission each year. In summary fashion, the statements run from "No Statement" in 1977 to "No Material Adverse Effect" in 1978 and in 1979 culminating with "The ultimate liability cannot be estimated with any degree of reliability... the cost to the Company could be substantial". This is the current statement being used by the Company as late as the Annual Report for 1981. One of the central questions we must face of course is are we now in a position that "such amounts can be reasonably estimated". If so, the proper accounting treatment must be resolved.

3. Projection Summary.

This table summarizes the cost projections made by the Comany at various points in time commencing in 1980. Under the 1980 catagory, the "STAT" column is merely a statistical projection of cases over a period of time using curve fitting techniques. The internal projections were projections made by the Legal Department.

4. Chronology of Projection Projects.

This table details the chronology of events leading to completion of the Epidemiological study and associated cost projections described later in this material.

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5. Lag Committee Members.

This table identifies the participants in the Litigation Analysis Group established to assist the Company in a number of litigation projects, initially with respect to insurance settlements. It is out of this group the projection studies evolved. This group has been extensively involved in all aspects of the projections including critique, analyses and modifications as necessary. Further, this group has been involved in considering alternative responses the corporation may make to the results of the analyses.

6. Consultants and Experts.

This table and the two pages following identify the principal consultants involved in the projection projects and the individuals from each of the groups principally involved. The first two groups, Epidemiology Resources, Inc. and Statistics & Epidemiology Research Corporation were involved in the development of the disease projections for the future. The third and fourth groups being Lexecon Inc. and Sarat/Kritzer were employed to assist us in evaluating the propensity of individuals developing diseases in the future to acutally bring a lawsuit against the Company.

7. Meso Lawsuits, Number of Asbestosis Lawsuits and Rate of Lung Cancer Lawsuits.

These three graphs depict the projections of new lawsuits to be filed under the various disease catagories out into the future. These graphs result from a combination of the disease projection work done by the Epidemiologists with the propensity to sue work done by the Lexecon and Sarat/Kritzer groups. The numbers shown for 1981 are actual numbers with the projections keyed from that point on. With respect to each of the diseases excecpt for Mesothelioma, we are projecting a sharp drop off in the number of lawsuits commencing almost immediately. For Mesothelioma, we are expecting a gradual rise through approximately 1990 or 1991 and then a drop off through the year 2001. The projections done include projecting lawsuits beyond the year 2001, however, we have stopped all projections at that point.

The numbers on each graph are the number of new lawsuits each year.

8. Disease Projection Comparative Table.

This is a repeat of the first table in the Section now adding the Company's projection of diseases. It is important to note that the Company's projection of diseases for cancer include not just deaths but also disabilities. It is our understanding that the seven other studies relate only to deaths and therefore the Company's number may be inflated slightly as it includes more potential claimants.

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The significance of this chart is that the Company's projection of asbestos related cancer deaths and disabilities is significantly below any of the other studies done by other groups.

9. Cost Assumptions.

The cost assumptions are the result of the smoothing techniques applied to historical cost data. In each case, the average used is slightly below the current average experience by the Company for each of the diseases. Please refer back to the three graphs under the Asbestos Litigation section for reference.

The current average defense cost is the current average cost experienced by the Company to defend cases from start to completion via settlement or other disposition.

10. LAG Projection.

This table summarizes the projection completed by the Company. This projection is of course based upon the Epidemiological studies described previously, the cost estimates described earlier and certain other conservative assumptions described later in this section.

11. Projection Summary.

This table summarizes the projections made by the Company since 1980 including the most recent ones. The 1982 projections include an Internal projection which was made on the basis of assuming that by the end of 1982 we will have received one-half of all lawsuits ever to be received and further assuming that our current cost averages will stay at approximately the current rate out into the future. The LAG projection is of course the projection summarized on the preceeding page.

12. Conservative Assumptions.

This table identifies some of the conservative assumptions built in the projection. Where possible, we have attempted to base the analyses on conservative assumptions and believe that we have in fact done so.

13. Cash Flow Analysis

This table details a cash flow scenario for disposition of the currently pending cases together with disposition of the cases anticipated to be received in the future (based upon the LAG projections). It also assumes collection of $65 million in 1982 and $50 million between 1983 and 1984 from Insurance companies through settlement of pieces of the insurance litigation. The bulk of the insurance proceeds are anticipated to be received by late 1987.

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14. Accounting Treatment

This sheet is merely a hypothetical illustration of one method of accounting treatment for the Asbestos litigation contingency. This treatment assumes that we must record the probable liability for the backlog of existing cases as of December 31, 1982. Against that propably liability we offset available insurance leaving a net positive position of insurance. This treatment also assumes that then each quarter into the future we must record the probable liability associated with the cases received during that quarter. Based upon our projections for 1983 this would result in approximately $41 million being recorded each quarter with a total net write-off for the year of $145 million.

If this treatment were in fact adopted by the Company and acceptable to the accounting profession, each year into the future we would record on a quarterly basis the probable liability to the Company of newly filed cases.

15. Effective Backlog.

The final table is another potential accounting treatment done for illustration purposes only. This treatment assumes that we must record all the cases received by the end of 1982 together with all of the cases to be received during the year 1983 on the assumption that at least through 1983 receipt of cases is probable. Based upon this assumption and applying the average disposition cost developed as part of the Lag projections results in a total impact of $715 million against which available insurance could be offset. We currently have an estimated $570 million worth of insurance to be available to the Company over a period of time. If we would not be required to present value the insurance coverages we would end up with a $145 million earnings impact under this scenario. If we must present value the insurance coverages prior to offsetting against cost, this would raise the write-off to approximately $325 - $350 million.

It must be emphasized that this accounting treatment page and the previous one are merely hypothetical assumptions at this point in time.

DISEASE PROJECTION COMPARATIVE TABLE

STUDY	ANNUAL CANCER DEATHS	CUMULATIVE TOTAL BY YEAR 2000*
1. CALIFANO "Estimates Paper"	68,000	1,360,000
2. SELIKOFF	9,000-12,500	180,000-250,000**
3. HOGAN & HOEL	12,000	300,000** (Since 1975)
4. NICHOLSON	8,500-10,000	185,000**
5. MAC AVOY	4,500-12,000	135,000-726,000** (by 2010)
6. SCHWEIKER COMMENTS	4,000-12,000	NO PROJECTION
7. ENTERLINE	4,000-4,500	80,000-90,000

* 1980-2000
** Projects deaths beyond 2000

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STATEMENTS CONCERNING ASBESTOS HEALTH LITIGATION, LIABILITY THEREFROM, and INSURANCE COVERAGE THEREFORE, FROM ANNUAL REPORTS 1977-1981

YEAR	NUMBER OF CLAIMS	
1977	(540)1	NO STATEMENT
1978	1500	Management believes that policies of insurance maintained provide adequate coverage for any amounts the Company may be obligated to pay as a result of the pending asbestos health cases with the possible exception of actions by employees of the Company and of punitive damages directly alleged against the Company in some cases. In the opinion of Management, any ultimate liability will not have a material adverse effect on the Company's consolidated financial position or results of operations.
1979	4100 (2707)	Same statement as 1978
1980	9300 (5087)	The growth in these two areas (volume and costs) has significantly increased the uncertainties as to the future number of similar claims which J-M may receive, and the future disposition costs of the pending and future claims... Because of the uncertainties associated with the abestos/ health litigation, and in spite of the substantial defenses the Company believes it has with respect to these claims, the eventual outcome of the asbestos/health litigation cannot be predicted at this time and the ultimate liability of the Company after application of available insurance cannot be "estimated with any degree of reliability." (2) No reasonable estimate of loss can be made an no liability has been recorded in the financial statements. Liabilities, if any, relating to asbestos/health litigation will be recorded in accordance with
1981	12,800 (9300)	

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generally accepted accounting principles when such amounts can be reasonably estimated. Depending on how and when these uncertainties are resolved, the cost to the Company could be substantial.

(1) Figures in parentheses represent cases, those without parentheses represent plaintiffs. These figures were not shown in the Annual Report until 1980.

(2) Quoted language is the '80 language. The '81 language is "reasonably determined in accordance with Financial Accounting Standards Board Statement No. 5, Accounting for Contingencies."

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PROJECTION SUMMARY

	1980[A] STAT.	1980[A] INTERNAL	1981[B] INTERNAL
PLAINTIFFS	18,963	15,500	32,500
COST/ PLAINTIFF	$63,500	$62,900	$46,925
	$1,204.2	$974.9	$1,525.1
- INSURANCE	600.0	600.0	698.0
NET COST	$604.2	$374.9	$827.1

A 1980 - 5,000 Plaintiffs at time of Projection. Projection for 10 years.

B 1981 - 10,000 Plaintiffs at time of Projection. Projection for 10 years.

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CHRONOLOGY OF PROJECTION PROJECTS

March, 1981:	Von Wald memo re need for projection of future asbestos-health cases.
April-May, 1981:	Counsel work with H,S&E to develop protocol.
May, 1981:	H,S&E contacts consulting epidemiology research groups and evaluates proposals from them.
June, 1981:	Epidemiology Research, Inc. (E.R.I.) of Boston is selected as consultant and outlines 3-phase approach.
July 27, 1981:	E.R.I. presents their phase 1 analysis: Preparation of Methodology for initial projection of number of diseased persons to J-M legal staff, outside counsel and H,S&E.
August-December, 1981:	The Phase 2 survey - Nationwide re prevalence of occupational exposure to asbestos is structured.
January-February, 1982:	Dr. Alec Walker of E.R.I. becomes involved in the integration of phases 1 and 2 and develops an analytical model to predict future disease, using current mesothelioma statistics to "back calculate" the size of the exposed workforce still living which would have had to exist for such current disease to manifest. Using actuarial methods and known exposure-disease incidence curves, future diseases can be calculated.
March 1, 1982:	First E.R.I. presentation methodology and conclusions to L.A.G.
April, 1982:	Lexecon, Inc., and Sarat/Kritzer selected to undertake propensity analysis. Search begins for consultants to conduct peer review of E.R.I. methodology.
May, 1982:	Professors Breslow (Biostatistics) and Weiss (Epidemiology) of the University of Washington and members of the Statistics and Epidemiology Research Corporation (S.E.R.C.), are selected as consultants to confirm E.R.I. methodology.
July, 1982:	Work on all projects culminates in presentations to L.A.G. by the epidemiologists (E.R.I., and S.E.R.C.) and the propensity to sue analysits (Lexecon and the Sarat group)

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LAG COMMITTEE MEMBERS

Richard B. Von Wald, Chairman

MEMBERS

Davis Polk & Wardwell **New York, New York**	**James W. B. Benkard,** **Partner**
	Stephen H. Case, **Partner**
Martori, Meyer, Hendricks & Victor **Phoenix, Arizona**	**Paul J. Meyer,** **Senior Partner**
	James B. Scarboro, **Partner**
Heller, Ehrman, White & McAuliffe **San Francisco, California**	**Curtis M. Caton,** **Senior Partner**
Litigation Risk Analysis **Menlo Park, California**	**Marc B. Victor,** **President**
Manville Corporation	**G. Earl Parker,** **Senior Vice President** **Law & Public Affairs** **and Secretary**
	Dennis H. Markusson, **Assistant Corporate** **Counsel**
	Christina K. Bearman, **Associate Corporate** **Counsel**

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CONSULTANTS & EXPERTS

1. Epidemiology Resources, Inc.
Boston, Massachusetts

E.R.I., is a unique health Research firm focusing on the planning, conduct and interpretation of epidemiologic studies.

2. Statistics & Epidemiology Research Corporation,
Seattle, Washington

S.E.R.C. is a research firm comprised of scientists, academics and consultants from the University of Washington and Seattle area.

3. Lexecon Inc.
Chicago, Illinois

Lexecon Inc. is an economics-based consulting group which specializes in providing legal-economic services.

4. Sarat/Kritzer

Professors Sarat and Kritzer are joint authors and researchers in the area of propensity to claim in disputes involving consumer complaints, product claims and automobile accidents.

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1.	Epidemiology Resources, Inc. Boston, Massachusetts E.R.I., is a unique health Research firm focusing on the planning, conduct and interpretation of epidemiologic studies.	Dr. Alexander Walker	Ph.D. ., Epidemiology Harvard School of Public Health M.D., Harvard School of Public Health M.P.H., Assistant Professor of Epidemiology, Harvard School of Public Health
		Dr. Kenneth Rotham	Ph.D ., Epidemiology and Biostatistics, Harvard School of Public Health M.P.H., Harvard School of Public Health D.M.D., Dental Medicine Harvard School Dental Medicine Associate Professor of Epidemiology, Harvard School of Public Health
2.	Statistics & Epidemiology Research Corporation, Seattle, Washington S.E.R.C. is a research firm comprised of scientists, academics and consultants from the University of Washington and Seattle area.	Dr. Noel Weiss	Ph.D ., Epidemiology and Biostatistics, Harvard School of Public Health M.P.H., Harvard School of Public Health M.D., Stanford University Professor of Epidemiology, University of Washington
		Dr. Norman Breslow	Ph.D., Biostatistics Stanford University Professor of Biostatistics, University of Washington
3.	Lexecon Inc. Chicago, Illinois Lexecon Inc. is an economics-based consulting group which	Dennis W. Carlton	Ph.D., Economics Massachusetts Institute of Technology M.S., Operations Research Massachusetts Institute of

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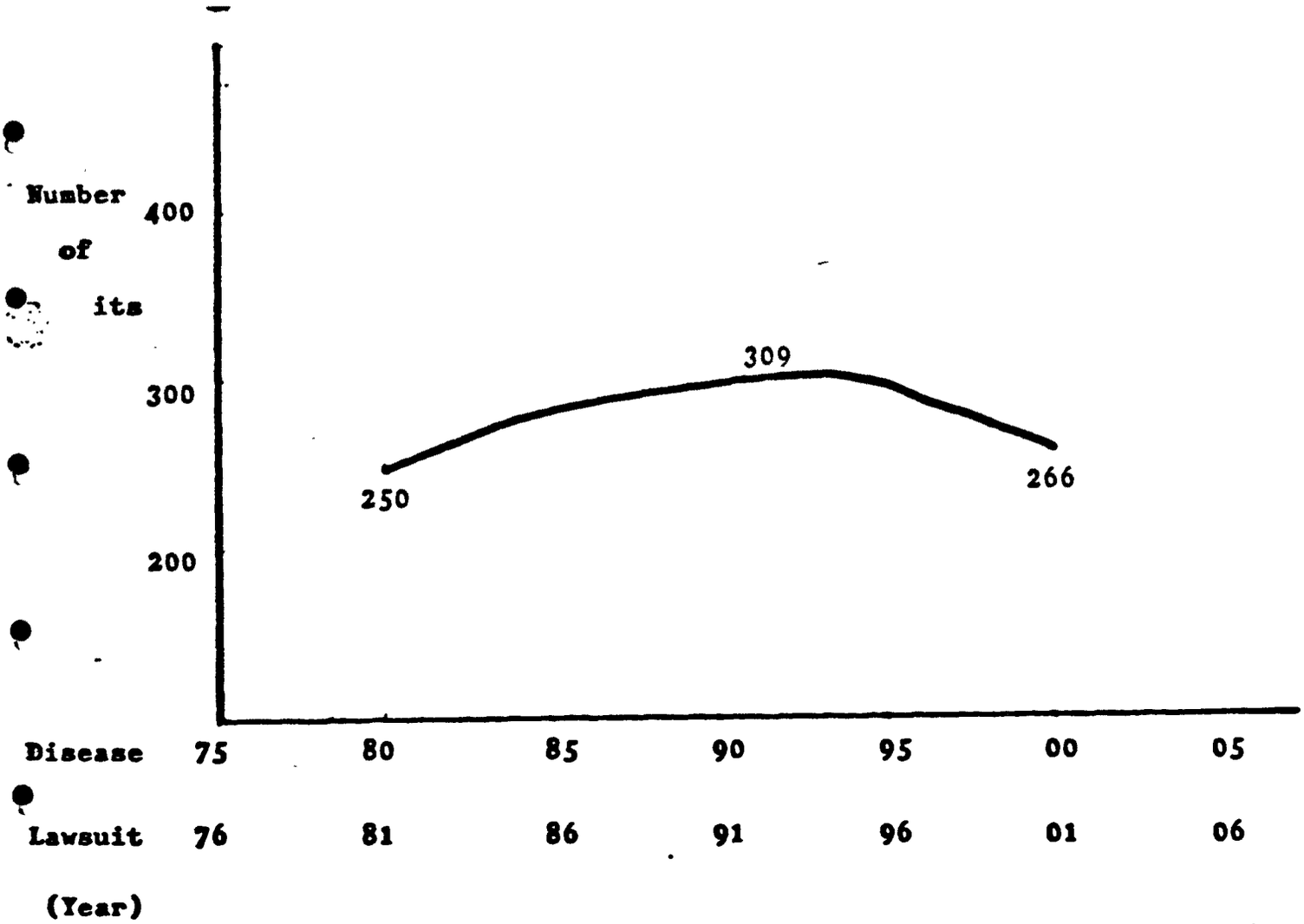
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	specializes in providing legal-economic services.		Technology B.A., Economics and Applied Math, Harvard University Professor of Economics, University of Chicago, Law School
		Elisabeth M. Landes	Ph.D., Economics, Columbia University Graduate Study, Economics, University of Chicago A.B., Mathematics, Radcliffe College Senior Economist, Lexecon Inc.
4.	Sarat/Kritzer Professors Sarat and Kritzer are joint authors and researchers in the area of propensity to claim in disputes involving consumer complaints, product claims and automobile accidents.	Austin D. Sarat	Ph.D., Political Science, University of Wisconsin M.A., Political Science University of Wisconsin Associate Professor of Political Science, Amherst College
		Herbert M. Kritzer	Ph.D., Political Science, University of North Carolina Associate Professor of Political Science, University of Wisconsin

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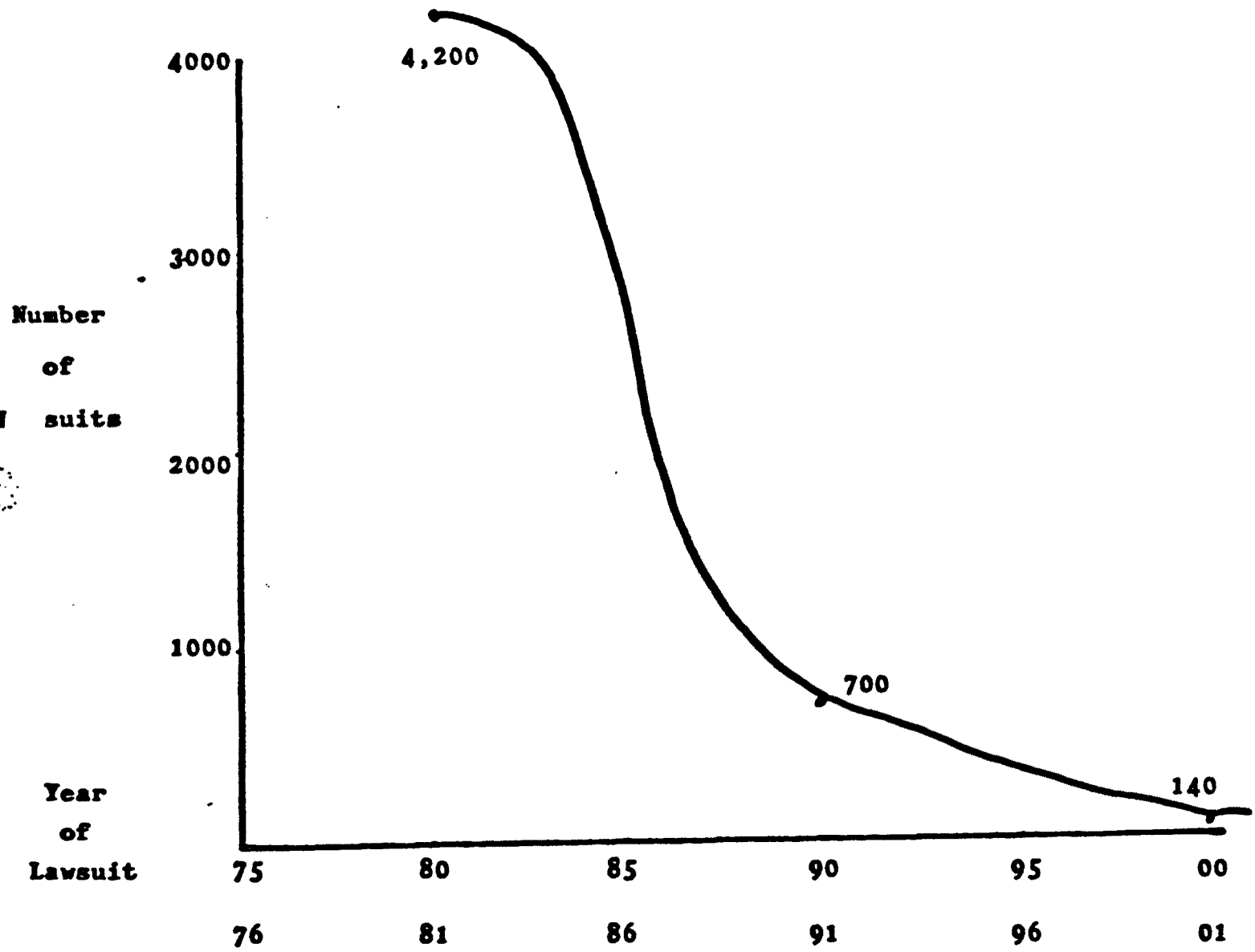
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HIGH RATE OF MESO LAWSUITS WILL CONTINUE EVEN WITHOUT FURTHER INCREASES IN PROPENSITY TO SUE



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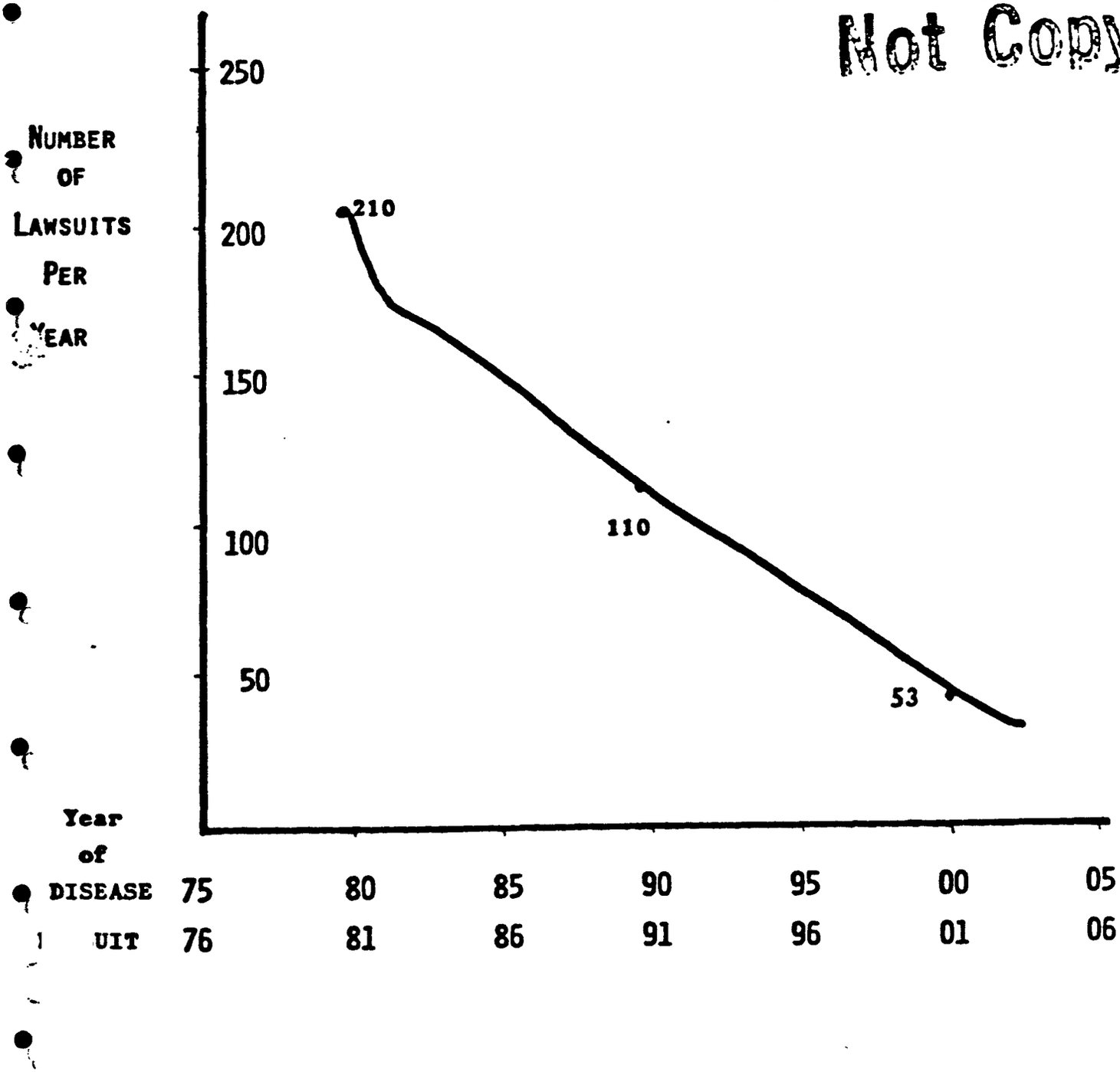
NUMBER OF ASBESTOSIS (INCLUDING ALL NON-CANCER) LAWSUITS WILL BE SUBSTANTIAL IN NEXT 5 YEARS, BUT WILL DROP OFF RAPIDLY THEREAFTER



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RATE OF LUNG CANCER LAWSUITS WILL DECLINE ABOUT 5% PER YEAR ASSUMING NO FURTHER INCREASE IN PROPENSITY TO SUE

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DISEASE PROJECTION COMPARATIVE TABLE

STUDY	ANNUAL CANCER DEATHS	CUMULATIVE TOTAL BY YEAR 2000*
1. CALIFANO "Estimates Paper"	68,000	1,360,000
2. SELIKOFF	9,000-12,500	180,000-250,000**
3. HOGAN & HOEL	12,000	300,000** (Since 1975)
4. NICHOLSON	8,500-10,000	185,000**
5. MAC AVOY	4,500-12,000	135,000-726,000** (by 2010)
6. SCHWEIKER COMMENTS	4,000-12,000	NO PROJECTION
7. ENTERLINE	4,000-4,500	80,000-90,000
8. J-M	3,120	62,387**

* 1980-2000
** Projects deaths beyond 2000

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COST ASSUMPTIONS

Average per Plaintiff

	Meso	Lung Cancer	Asbestosis
Current Average[a] damages	$75,000	$45,000	$25,000
Current average defense costs	$7,500	$7,500	$7,500
Total	$82,500	$52,300	$32,500

[a] Based on Kritzer smoothing

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LAG PROJECTION
(August 4, 1982)
($000)

	NO. OF LAWSUITS	AVERAGE DISPOSITION COSTS	AVERAGE DEFENSE COSTS	TOTAL
MESO				
12/31/81				
Backlog	569	75.0	7.5	$ 46,900
1982-2001	5,777	75.0	7.5	476,600
LUNG CANCER				
12/31/81				
Backlog	506	45.0	7.5	26,200
1982-2001	2,304	45.0	7.5	121,000
ASBESTOSIS				
Thru 3/81	8,208	25.0	-	205,100
4/1/81-12/31/81	3,036	25.0	7.5	98,700
1982-2001	27,210	25.0	7.5	884,300
				$1,858,000

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PROJECTION SUMMARY

($000)

	1980 [A]		1981 [B]	1982 [C]	
	STAT.	INTERNAL	INTERNAL	INTERNAL	LAG
'LAINTIFFS	18,963	15,500	32,500	44,000	47,600
COST/ PLAINTIFF	$63,500	$62,900	$46,925	$39,000	$39,000
	1,204.2	974.9	1,525.1	1,716.0	1,858.8
- INSURANCE	600.0	600.0	698.0	600.0	600.0
ET COST	$604.2	$374.9	$827.1	$1,116.0	$1,258.8

A 1980 - 5,000 Plaintiffs at time of Projection. Projection for 10 years.

B 1981 - 10,000 Plaintiffs at time of Projection. Projection for 10 years.

C 1982 - 16,000 Plaintiffs at time of Projection. Projection for 20 years.

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ALL PROJECTIONS BASED ON

CONSERVATIVE ASSUMPTIONS

1. PROPENSITY TO SUE HELD CONSTANT
2. "CERTIFIABLE" ASBESTOSIS CASES ONLY
3. FULL INSURANCE RECOVERY AND FULL RECOVERY FROM TRAVELERS ON DUTY TO DEFEND PENDING CASES
4. NO ESCALATION OF COSTS OVER TIME
5. NO PUNITIVE DAMAGES

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CASH FLOW ANALYSIS

($000,000)

	82	83	84	85	86	87	88	89	90
ASBESTOSIS	50.6	64.2	91.1	130.5	160.6	172.3	107.1	87.5	66.2
MES	12.4	14.6	19.1	25.9	19.5	23.3	23.7	24.2	24.8
LUNG CANCER	6.7	7.6	9.6	12.3	7.8	8.9	8.6	8.1	7.7
INTERNAL	10.0	12.0	13.0	14.0	15.0	15.0	10.0	10.0	10.0
TAL	79.7	98.4	132.8	182.7	202.9	219.5	149.4	129.8	108.7
LESS INSURANCE	65.0	25.0	25.0	-	-	432.0	-	-	-
TOTAL NET	14.7	73.4	107.8	182.7	202.9	(212.5)	149.4	129.8	108.7
SUMM.NET	14.7	88.1	195.9	378.6	581.5	369.0	518.4	648.2	756.9

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ACCOUNTING TREATMENT

($000,000)

1982 -	Record Backlog	$(549.3)
	- Insurance Offset	570.0
	Net Position Balance of Insurance	20.7
1983 -	Record Each Quarter as it is Completed	
	1st Quarter	(41.3)
	- Insurance Offset	20.7
		(20.6)
	2nd Quarter	(41.3)
	- Insurance Offset	-
		(41.3)
	3rd Quarter	(41.3)
	- Insurance Offset	-
		(41.3)
	4th Quarter	(41.3)
	- Insurance Offset	-
		(41.3)
	Total Write Off for Year	$(144.5)

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EFFECT OF BACKLOG

(12/31/82)

($000)

	No. of Lawsuits	Avg. Disposition Cost	Total
Meso	819	87.5	71,800
Lung Cancer	692	52.5	36.5
Asbestosis	8,208	25.0	205.2
	7,211	32.5	235.8
			$ 549.3

Including 1983

Meso	259	87.5	22.7
Lung Cancer	176	52.5	9.2
Asbestosis	4,100	32.5	133.3
			165.2
		Total 1982, 1983	$714.5

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FOR IMMEDIATE RELEASE

August 4, 1982

Manville Corporation

Contact: _____

Denver. Manville Corporation (NYSE) today announced that it had reported to its Board of Directors receipt of studies from outside consultants indicating that commencement of new asbestos health litigation against members of the Manville corporate group may well continue unabated for a number of years. A Manville spokesman stated that Johns-Manville Corporation and other members of its affiliated group are presently defendants in more than 11,000 asbestos health cases pending in the United States brought on behalf of more than 16,000 plaintiffs. The vast bulk of these cases have been commenced in the past three and one half years.

The spokesman said that the burden of the existing case load combined with the continued incidence of new asbestos health litigation at current levels could have a material adverse effect on Manville's consolidated financial position and earnings.

In response to the receipt of these studies and continued depressed economic conditions in Manville's markets, Manville's Board of Directors announced that it intends to declare no dividends on the corporation's common stock until a legislative or other solution to the asbestos health litigation problem is found.

Further, the spokesman said, the Manville board has appointed a special committee to study the potential future impact on the company of pending and anticipated asbestos health cases, the possible need for creation of materially large reserves and the strategic and financial options available to the company and its subsidiaries in case incidence of new litigation occurs at the rates forecasted in the studies.

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Report of Special Committee Regarding Asbestos Litigation

Assignment:

To review the presently available information bearing on pending and prospective asbestos-related health claims and to make recommendations to the Board of Directors with respect thereto.

Procedures Followed:

Davis Polk & Wardwell, counsel to the Committee, retained Robert O.F. Bixby, a partner of Price Waterhouse & Co., to serve as the Committee's independent adviser on accounting matters relating to its assignment. The members of the Committee and Mr. Bixby were furnished with substantial written materials, including Company prepared analyses and statistical data on asbestos health litigation, insurance coverage and insurance litigation, a comprehensive report by Epidemiology Resources, Inc. ("ERI") relating to potential asbestos-related claims over the years 1982-2002, studies made by others on related subjects and results of studies made by the Company's Litigation Analysis Group. After receipt of these materials, Messrs. Schroeder, May and Tucker held meetings in New York City on August 16 and 17 and Messrs. Schroeder and Tucker met on August 18. Mr. Zwick had firm commitments to be in California all that week and subsequent commitments forced him to resign from the Committee. Mr. Bixby was present at meetings on August 16 and 17.

At the initial meeting on August 16 the Committee met with Dr. Alexander Walker, head of ERI. Also present were Mr. Marc Victor of Litigation Risk Analysis Incorporated, Messrs. Parker, Von Wald, Beasley and Johannes from the Company and Stephen Case of Davis Polk & Wardwell. The ERI report and related reports and other matters bearing on projections of numbers of claims and costs were discussed at length.

On August 17 Messrs. Schroeder, May and Tucker and Mr. Bixby met with Messrs. Victor, Parker, Von Wald, Beasley and Johannes. The subjects discussed were the Company's present and prospective cash positions, the possible necessity for secured borrowings and the implications of the financial covenants in the Company's Term Loan

and Revolving Credit Agreement if a large reserve for asbestos claims were to be required. The financial covenants in the Company's public debt instruments were also discussed.

Mr. Von Wald reviewed various matters related to the Company's insurance coverage and Mr. Victor reviewed various cash flow charts and related matters.

Mr. Bixby reviewed for the Committee the requirements under FASB 5 regarding accrual of reserves for contingencies and discussed the same as applied to the pending and probable health litigation. He expressed his opinion that on the basis of the information and discussions to date he would conclude that the standards of FASB 5 had been sufficiently satisfied to require that a reserve be established of the low end of the estimated range of liability with appropriate footnote disclosure.

The various available alternatives were discussed at length.

Mr. May was obliged to leave the meeting. Mr. Michael Crames of Levin & Weintraub, reorganization specialists, was invited to join the meeting. Mr. Crames briefed those present with various aspects of a proceeding under Chapter 11 of the Bankruptcy Act as applied to Manville's present situation and the consequences of a Chapter 11 filing. Also discussed were the consequences of a worsening litigation and financial situation.

On August 18 Messrs. Schroeder and Tucker met again with the Manville financial, accounting and legal representatives. The pros and cons of the alternatives of a Chapter 11 proceeding or continuing to carry on the business on the present basis with a write off of such size as to require bank consent to avoid default, providing bank and public debt with security, the contingent nature of the insurance funds, the contingent nature of legislation, and the prospects of survival absent legislation were discussed. A consensus was developed that Chapter 11 was the course more likely to result in maintaining viable business operations and preservation of assets. Mr. Parker was authorized to retain Levin & Weintraub as special Chapter 11 counsel and to prepare a preliminary plan for filing. Mr. Schroeder left at noon to brief Mr. May on developments and informed him of the further deliberations.

On August 23 Messrs. Tucker and Schroeder convened with Messrs. McKinney, Parker, Von Wald, Beasley, Johannes and Boardman, Mr. Case of Davis Polk and Messrs. Crames and Perkiel of Levin & Weintraub.

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On August 24 the Committee reconvened with Mr. Schroeder and Mr. Tucker present and the matter was discussed in detail. Preparations for presenting the Committee's report to the Board were made.

The Committee met on August 25 with Messrs. Schroeder, Tucker and May in attendance. The Committee's report was reviewed and Board presentations were finalized.

Recommendation:

The Committee recommends that the Board of Directors authorize the immediate filing of a petition in Chapter 11 as the action best calculated to conserve the Company's assets and businesses and, therefore, the best action to protect the rights of shareholders, creditors and actual and potential claimants.

8/25/82

J. P. Schroeder

J. P. Schroeder, Chairman

William F. May

William F. May

William D. Tucker, Jr.

William D. Tucker, Jr.

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No. 1

Draft No. 5 of 8/24/82

- Beleaguered By Asbestos Lawsuits

- Manville Files for Reorganization

Attention: Manville Corporation Shareholders, Employees, Customers, Suppliers and Creditors

On Thursday, August 26, Manville Corporation and its principal American and Canadian affiliates filed voluntarily for reorganization under Chapter 11 in New York.

In the following interview, John A. McKinney, Manville's Chief Executive, answers questions about the background of this startling development:

Q. Mr. McKinney, this announcement was a surprise. What's wrong with Manville's operations?

A. Nothing is wrong with our businesses. Filing Chapter 11 does not mean that the Company is going out of business or that its assets will be liquidated. Thousands of asbestos-health lawsuits are the problem! We're the American and world leader in a number of markets, mostly related to construction. During the current recession our sales have held up well and we've operated at better than break even (if you exclude litigation expenses).

We've slimmed down too, having eliminated more than 1500 salaried jobs in the last six months. We'll continue to generate substantial cash flow. Our Chapter 11 lawyers tell me Manville has stronger businesses and cash flow than any other big company that's ever filed.

Q. Your businesses are in good shape, but you filed under Chapter 11? Why?

A. We're overwhelmed by 16,500 lawsuits related to the health effects of asbestos, with more suits projected. The federal government has refused to admit its responsibility to its shipyard workers. Congress has failed to act to provide compensation for claimants. Chapter 11 is the only orderly way for the Company to handle the litigation and treat everybody fairly. You may have read recently that another publicly held asbestos manufacturer has taken the same step.

Q. Could you have avoided Chapter 11?

A. No. To avoid Chapter 11, we would have had to strangle the Company slowly, by deferring maintenance and postponing capital expenditures. We would also have had to cannibalize our good businesses just to keep going. If recent trends had continued we would have had to mortgage our plants and properties and new credit would be most difficult to obtain and expensive. This is no way

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to go forward. Chapter 11 avoids these problems and preserves our operations.

Q. Will Manville go out of business?

A. No. Our businesses will keep operating, very smoothly, we believe.

Q. Will any of your 25,000 employees lose their jobs?

A. I don't think Chapter 11 will cause a single employee to lose a job, pay or benefits. In fact, we believe Chapter 11 is the best way to permit the Company to operate normally, providing jobs and useful products, despite all the litigation. Most important, I want to keep our employees' morale up. They've done a bang-up job to keep Manville lean and competitive.

Q. Can you pay your suppliers?

A. We don't expect any significant problem in making full, timely payment for new shipments after our filing.

Q. What effect will Chapter 11 have on your customers?

A. None. We will continue to manufacture and ship high quality products and provide the same services, as always.

Q. What will happen to the lawsuits?

A. The Chapter 11 filing automatically stops all lawsuits pending against us. New lawsuits are also automatically stopped. We hope to establish an effective system to

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handle these claims in Chapter 11.

Q. What are all these lawsuits really about?

A. It's a long story. Here's the bottom line. Not until 1964 was it known that excessive exposure to asbestos fiber released from asbestos-containing insulation products can sometimes cause certain lung diseases. Since the mid 70's, lawsuits have been brought against Johns-Manville, our subsidiary, on behalf of nearly 20,000 people alleging injury from excessive asbestos exposure. We have disposed of about 3,500 of these cases by settlement or trial. In a significant number of cases tried, juries have found that we were not at fault and acted responsibly in light of then-existing medical knowledge. Nevertheless, new lawsuits have been coming in at a rate of 500 a month - every month! In the absence of Congressional action, the board of directors concluded there is no conceivable resolution to this burden, other than Chapter 11. Just to put it in perspective, Newsweek has stated that asbestos health litigation surpasses in size all the automobile accident suits pending across the nation before no-fault insurance laws were adopted.

Q. 20,000 plaintiffs? 6,000 new ones a year? Where are these suits coming from?

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A. Well, many of them come from workers in shipyards and industries which used our asbestos fiber and products. Decades can pass between excessive exposure to asbestos and onset of the disease. For instance, there was asbestos insulation on the steampipes and boilers in most ships built or refitted during World War II. The largest group suing us now consists of shipyard workers claiming recently manifested injury from asbestos exposure during wartime service, 40 years ago.

Q. What about your insurance? Shouldn't the insurance companies take care of the problem?

A. Over the years Johns-Manville Corporation's former insurance broker bought insurance coverage for it totaling hundreds of millions of dollars. Right now, however, only one company is paying, and it pays only a small part of each claim.

Q. Why is that?

A. The whole subject disgusts me. Now, when we need the coverage, with one exception, the insurance companies are reneging. We sued them all in California in early 1980 to force payment. You won't believe it, but even now, 30 months later, we still aren't sure which judge will preside over the case. As a result the case has gone nowhere. As much as anything else, the bad faith

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of insurance companies has made it necessary for us to take this action. I have instructed that our damage claims in the California cases be increased by five billion dollars to partially compensate creditors and shareholders for their losses.

Q. How much do the asbestos lawsuits cost you?

A. Including our outside legal fees, the cost is currently averaging $40,000 per case. This is sharply higher than our averages in prior years. Internal legal staff costs are also substantial.

Q. If all 16,500 lawsuits now pending cost $40,000 apiece to settle, that would total $660 million. Without payments from your insurance companies, your problem is obvious.

A. Right. And that doesn't take into account the cases yet to be filed. Talking about legal costs, one of the truly outrageous aspects of this situation is the amount of money being poured down the drain in litigation expenses and contingent fees paid to plaintiffs' lawyers. Our best guess is that the injured worker receives less than a third of the total cost of these suits. The court system, with separate individual trials, is too inefficient and haphazard for a massive problem like this. We need an effective, practical

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national system which delivers maximum payments to injured workers, minimizes the costs of delivering those payments and withholds payments to those with no disability.

Q. What do you mean by haphazard?

A. There is no better word to describe our experience to date in the litigation. We had one suit from a plaintiff with doubtful asbestosis who had retired on a full disability pension with a broken ankle. He received an additional award for asbestos disease of one and a quarter million dollars. We have seen others totally disabled or in fact dead who received no award from the jury. In one recent trial in Texas, five separate juries hearing five different cases were empaneled and heard the same evidence before the same judge in the same courtroom at the same time. Their findings ranged from no liability to punitive awards. Maybe haphazard is too weak a description. This type of toxic tort litigation is an intolerable gambling exercise for both plaintiff and defendant.

Q. Why did you file now?

A. We're a public company. We are required to comply with certain accounting requirements. Under these rules, we're supposed to estimate the costs of current and

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probable litigation whenever possible and create a reserve for the liability in an amount equal to the estimate. When the asbestos cases began to proliferate, we couldn't estimate their probable number or cost, and our auditors qualified their opinion about our financial statements. When we found that the number of new cases was not declining and our "data base" of pending cases was large enough to assist in making projections, we hired epidemiologists and other professionals to develop an estimate of probable future disease cases and a cost estimate. Early this month, they finished their work. On the basis of their work so far, we forecast that we could get at least 32,000 more lawsuits on top of the 20,000 already asserted. Some people outside Manville have estimated many more claims than that.

Q. A total of 52,000 lawsuits at a cost of $40,000 apiece could mean a total cost of two billion dollars and that doesn't include an inflation factor. Could Manville afford it, even with insurance?

A. Our businesses are strong and viable but they might not be able to pay a bill that big. Even if we could pay, without the protection of Chapter 11, it would cripple us. The cost of handling paperwork for this number of cases is staggering. We have to incur that cost in all

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events and sometimes we are pressured by the courts to pay settlements without court determination that disability exists. We also might have to sell good businesses to raise cash. In Chapter 11, we can keep those businesses going and use their earnings to pay our liabilities. And timing is of course a problem. We have limited control over the timing of lawsuits and little ability to match timing of litigation payments against available cash. Disregarding the litigation, we are a low-debt company with a book net worth of $1.1 billion. When a reserve is booked, net worth must also be reduced. The booking of a large reserve now for current and future asbestos health liabilities would wipe out most of our net worth. Without showing a good-sized net worth on our balance sheet, affordable credit would have dried up, and we simply could not have operated. So, when our board of directors learned this month of the probable need for a large reserve, it considered the options and concluded we had to file for relief under Chapter 11.

Q. How do you feel about this?

A. Awful. I've never had to do anything I hated more. Our loyal suppliers, lenders and shareholders all may suffer losses for their credit and investment exposure before

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our Chapter 11 filing. Losses could be very, very large for our present shareholders. Then, too, the many people who do have disabling injuries from excessive exposure to asbestos will be hurt. Their claims will be delayed and reduced. Still, it seems to us that the only orderly way to treat everyone fairly is through a court supervised Chapter 11 proceeding.

Q. I thought disabled workers were fully protected by workers' compensation. How come they can sue you?

A. You're partly right. Workers' compensation covers an employer's liability to its employees for injury in the work place. The law has been interpreted to make "employer" and "employee" very restrictive terms. This means that a 1940's employee of a shipyard can get workers' compensation from the shipyard, but he can also sue us for having supplied the allegedly defective product. I don't agree with that, but the fact is we are being sued in virtually every state because of it.

Q. Isn't there some other national program for people injured while on the job?

A. There are programs in other industries, such as for black lung disease in coal miners, but not for asbestos workers. There should be a statutory compensation program for asbestos injuries. We've tried to get a

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program passed, but Congress has been preoccupied. This is another reason we've been forced into Chapter 11. No other country uses the court litigation system to provide compensation for occupational disease.

Q. How long will you be in Chapter 11?

A. That depends. I've ordered our lawyers to go full blast. One of the biggest problems will be court approval of the estimated amount due in the future to product-liability claimants. Once we get that approval, I think that getting out of Chapter 11 ought to be just a matter of finishing up the legal proceedings. In the meantime, I understand that a company in Chapter 11 is allowed to conduct its affairs in the ordinary course of business without court approval.

One other thing needs attention. Our lawyers tell me that Congress needs to act by October 4 to straighten out an important technical point of bankruptcy court jurisdicton. Important aspects of our Chapter 11 case could be stalled until we get new legislation. I hope Congress will resolve this important technical problem quickly and also move toward a resolution of occupational disease litigation so that the thousands of citizens and voters caught up in this problem will be spared the expensive, inefficient and haphazard

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litigation system we have been saddled with. I also hope the government will step up to its responsibilities for having played a role in creating the disease problem.

Q. Is there anything else to know?

A. Yes. You should know that I and the people who work for the Company have turned every stone at least once seeking an out-of-court solution to this problem. Chapter 11 hurts, yes. However, our board believes Chapter 11 is the best way to protect our businesses. We expect to emerge from Chapter 11 stronger than ever. We are determined to make the best of this for everyone involved.

August 27, 1982

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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

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-

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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

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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.

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29. August 25, 1982

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF MANVILLE CORPORATION was held in the Murray Hill room of the Harley Hotel, New York City, New York, on Wednesday, August 25, 1982 at 6:30 p.m. pursuant to due notice.

* * *

Report of Special Committee on Asbestos Litigation

Mr. Schroeder reported that C. J. Zwick had not been able to serve on the Committee and had resigned as a member of the Committee because of the unavoidable press of other business.

Messers. Case, Perkeil, VonWald, Johannes and Beasley joined the meeting at this time.

Mr. Schroeder next distributed a copy of the report to the Board prepared by the Special Committee and advised the Board of its recommendation that the Board authorize the immediate filing of a petition under Chapter 11 of the Bankruptcy Act as the action best calculated to conserve the Company's assets and businesses and, therefore, the best action to protect the rights of shareholders, creditors and actual and potential claimants.

There was a pause in the meeting to allow the members of the Board time to review the report of the Special Committee.

Mr. VonWald presented a summary of the data presented to, and reviewed by, the Special Committee over the past weeks since the last meeting of the Board. Included in this material and reviewed for the Board was a projection of the total cost of disposing of new and existing law suits, both in the aggregate and by disease categories; a review of projected new cases in the aggregate and by disease categories over the years 1982-2001; projected cash flow and total cost projections for managing these anticipated new filings; and a six year cash flow summary based upon plans submitted by the operating subsidiaries of the Corporation.

Mr. Schroeder next presented a chronology of the activities of the Committee. This included a description of the advice given by an accounting expert retained by the Committee. He described the many different options examined and the process that was used to narrow these options down to a decision of whether to file Chapter 11 or to proceed outside of the protection of the Bankruptcy Code.

Mr. Johannes next described the financial dilemma that would confront the Corporation if the protections of Chapter 11 are not sought. This would include possible default on loan agreements and the necessity of resorting to secured borrowings.

Mr. Crames joined the meeting at this time. Mr. Schroeder introduced Mr. Crames to the Board.

The Board recessed for a brief period at this time.

Mr. McKinney described his involvement with the Committee and his conclusion that seeking the protections under Chapter 11 of the Bankruptcy Act was the unavoidable consequence of the continuing high level of asbestos health litigation and the only way to treat all creditors and claimants in an even handed and fair manner. In his opinion, attempting to continue operations outside of Chapter 11 would only result in dissipation of the Corporation's assets. The failure of the Federal Government to recognize its responsibility in creating the occupational health catastrophe that exists today combined with the refusal of the Corporation's insurers to pay in accordance with the terms of the policies sold to the Corporation over the years leave no other option available. There ensued a lengthy discussion among members of the Board and those present as to the practical impact of the Chapter 11 proceeding and of the various alternatives examined by the Special Committee.

* * *

There was additional discussion as to the appropriateness of filing a Chapter 11 petition. Following that discussion and upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED that the Corporation shall file for relief under Chapter 11 of the Federal Bankruptcy Code and any officer of the Corporation is hereby authorized to sign and file a petition for relief thereunder.

* * *

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	In Proceedings For A Reorganization Under Chapter 11.
JOHNS-MANVILLE CORPORATION, MANVILLE CORPORATION, MANVILLE BUILDING MATERIALS CORPORATION, MANVILLE FOREST PRODUCTS CORPORTAION, 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., Debtors.	Case Nos. 82 B Through 82 B Inclusive

AFFIDAVIT UNDER LOCAL RULE XI-2

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

James F. Beasley, being duly sworn, deposes and says:

1. I am an officer of Manville Corporation, Johns-Manville Corporation and certain of their affiliates (collectively "Manville") and am fully familiar with the assets and liabilities and businesses of such corporations and all of

their affiliates.

2. The information contained herein is on a consolidated basis for Manville and is submitted in connection with the chapter 11 petitions of the above-captioned debtors (collectively the "Debtors") filed simultaneously herewith.

3. There is no other or prior bankruptcy proceeding pending.

4. Pursuant to Interim Bankruptcy Rule 1007(a)(1), the Debtors have annexed hereto and made a part hereof as Exhibit "A" a list of their largest unsecured creditors, excluding insiders.

5. Filed simultaneously with the within chapter 11 petitions is a schedule of law suits pending against the Debtors.

6. There is no property of the Debtors in the possession or custody of any public officer, receiver, trustee, assignee for the benefit of creditors, mortgagee, pledgee or assignee.

7. Annexed hereto and made part hereof as Exhibit "B" is a schedule of certain leases.

8. Manville Corporation has publicly held shares of stock and debt as set forth below. None of the other Debtors herein has publicly held shares or debt.

(a) There are authorized 50 million shares of common stock of which approximately 24 million are outstanding in the hands of approximately 27,000 holders.

(b) There are authorized 10 million shares of cumulative preferred stock of which approximately 4,600,000 shares are outstanding in the hands of approximately 25,000 holders.

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(c) There are outstanding 9.70% senior debentures due in 1985 in the aggregate face amount of $100 million in the hands of approximately several hundred holders.

(d) There are outstanding 7.85% sinking fund debentures due in 2004 in the aggregate face amount of $75 million in the hands of approximately several hundred holders.

9. Annexed hereto and made a part hereof as Exhibit "C" is Manville's Consolidated Balance Sheet (unaudited) as at June 30, 1982.

10. Manville's estimated average monthly operating expenses are approximately $165 million. Manville's annual volume of business is approximately $2 billion.

11. Manville's financial difficulties and the reasons for filing the within chapter 11 petitions are attributable to the following circumstances:

Manville is a diversified manufacturing, mining and forest products company which conducts its business through five principal operating subsidiaries. This corporate structure resulted from the 1981 reorganization of Johns-Manville Corporation which was accomplished to promote improved asset management and to increase public awareness of the businesses comprising Manville Corporation.

Through the operations of its subsidiaries, Manville is recognized as the world's largest producer of diatomite, a mineral used as an industrial filtering agent and filler, one of the world's leading manufacturers and marketers of insulation

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products and fiber glass-asphalt shingles, and a major national producer of beverage carrierboard and cartons, and water and sewer pipe.

Manville's principal manufacturing businesses consist of the manufacture and sale of fiber glass products, non-fiber glass insulations, pipe products and systems, roofing products and industrial and specialty products. The manufacture of fiber glass represents the most significant portion of these businesses. A substantial portion of the raw materials and intermediate products produced by the Company's fiber glass operations are converted to finished products. The balance of these materials are sold, in both domestic and international markets, to other industrial users.

Manville also mines and processes asbestos, diatomite and perlite. Each of these minerals is used in connection with Manville's manufacturing business and is also sold to other industrial users.

The forest products businesses include the harvesting of timber and processing of it into lumber, plywood, particleboard and other materials. These materials are then sold or used by Manville to manufacture unbleached kraft paper and paperboard and paper products used in packaging operations and wood products.

Johns-Manville Corporation and various of the other Debtors (collectively "JM"), were, as of June 30, 1982, defendants

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or co-defendants in approximately 11,000 asbestos health law suits brought by approximately 15,550 individual plaintiffs in numerous jurisdictions throughout the United States in which the plaintiffs alleged damage to their health particularly due to their exposure to asbestos fiber, either during manufacturing operations in which asbestos fiber was used as a raw material or in the course of handling products containing asbestos.

The 1982 figures represent an increase over the December 31, 1981 level of 9,300 cases brought by 12,800 plaintiffs and the December 31, 1980 level of 5,087 cases brought by 9,300 plaintiffs.

During the first half of 1982, JM was the subject of an average of approximately 425 newly-commenced asbestos-related law suits per month instituted by an average of approximately 495 new plaintiffs per month, compared to the 1981 average of 400 new cases and 560 new plaintiffs per month and the 1980 average of 230 new cases and 365 new plaintiffs per month. During the first half of 1982, JM disposed of 698 claims (plaintiffs and potential plaintiffs) at an average cost to JM of $18,690 per claim (excluding defense costs). All disposition cost references exclude legal expenses and court costs. JM disposed of approximately 1,885 claims during 1981 at an average cost per claim of $15,025, while in 1980 470 claims were disposed of at an average cost of $22,710 per claim.

The cumulative average for all asbestos-related claims disposed of through June 30, 1982 (a total of approximately

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3,470 claims) is $16,600 per claim. These disposition costs do not include the verdicts in approximately twenty-three cases which are presently subject to post-trial motions or appeals filed by JM. Including these twenty-three verdicts in historical disposition costs through June 30, 1982 results in an average cost to JM of approximately $20,690 per claim. The current cost for disposition of these cases, including defense expenses, has risen to approximately $40,000.

JM was, for the first time in 1981, found liable by juries for punitive damages in five separate asbestos-related actions. All of these cases are presently subject to post-trial motions or appeals filed by JM. The average of the punitive damages awarded against JM in these five cases (one of which involved eleven plaintiffs) and five cases decided during the first half of 1982 is approximately $616,000 per case.

The majority of the foregoing claims upon which these suits are based allege JM and other defendants failed in their duty to warn of the hazards of exposure to and inhalation of asbestos fiber and dust originating from asbestos containing products. JM anticipates an increasing number of such cases both being commenced and proceeding to trial in the future, and thus there continues to be uncertainty as to whether punitive damages will be assessed against JM.

In early 1981, JM commissioned outside consultants to conduct a study to try to project the future volume of asbestos

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cases. This study has been completed and indicates that commencement of new asbestos-related litigations may well continue for a number of years.

Manville Corporation's Board of Directors, and a special committee appointed by the Board to oversee the review of the consultant's report, have concluded that the potential future impact on JM, Manville and various other of the Debtors which are named or potential defendants of pending and future asbestos cases could and probably will exceed Manville's ability to pay and finance the continuing operation of Manville's businesses.

Further exacerbating Manville's potential financial plight has been a dispute between JM and its primary and excess insurance carriers over the correct interpretation of a number of provisions of the various policies of insurance relating to the claims asserted in the aforesaid cases. Litigation to resolve these questions has been pending in the Superior Court of the State of California for the City and County of San Francisco since March 1980 and no decision is anticipated soon.

The question as to insurance coverage, combined with the continued growth in the number of asbestos cases being filed and the steep rise in the level of the disposition costs of cases, now including punitive damages, have increased the uncertainty concerning the future volume of asbestos cases and the associated disposition costs of present and future cases.

It has been estimated that the financial burden of

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these litigations upon Manville could range from anywhere between $2 billion to many times that amount over the next twenty years. Confronted with such potentially massive liabilities, Manville would have no recourse except to sell, liquidate or otherwise dispose of assets and dismember its businesses in order to continue to pay the costs of disposing of these suits. Not only would a point soon be reached where future successful plaintiffs would be unable to collect the amounts of their judgments or proposed settlements, but all other creditors of Manville would likewise be confronted with the stark realization that they too could not be paid nearly in full.

Therefore, in order to treat all creditors of Manville even-handedly, whether their claims at the present time be liquidated or unliquidated, contingent or non-contingent, mature or unmatured, Manville has reluctantly, but of necessity, deemed the filing of the within chapter 11 petitions to be an economic imperative.

It is only through the financial reorganization provisions of chapter 11 of the Bankruptcy Code that all claims against the Debtors can be liquidated or estimated, and be treated within the framework of a plan of reorganization that will realize more for creditors than would a liquidation but yet will be consistent with Manville's capacity to perform. It is thus Manville's intention to formulate effective procedures to accomplish precisely that in a manner which will not improperly

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favor any creditor over any other creditor similarly situated, be consistent with the fundamental bankruptcy tenet of equality of distribution and permit Manville to emerge as the viable and profitable business it has been and expects to be once again.

S/ James F. Beasley
JAMES F. BEASLEY

Sworn to before me this
26th day of August, 1982.

S/ Mitchel Perkel
Notary Public

MITCHEL PERKEL
Notary Public, State of New York
No. 03-4616831
Qualified in Bronx County
Commission Expires March 30, 19 83

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