IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
ARMSTRONG WORLD INDUSTRIES, INC., et al.,	)	
	)	Case No. 00-4471 (JKF)
Debtors.	)	

ARMSTRONG WORLD INDUSTRIES, INC. ASBESTOS PERSONAL INJURY SETTLEMENT TRUSTÕS NOTICE OF FILING OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

Pursuant to Article 7.1 of Debtors' Fourth Amended Plan of Reorganization, as modified (the "Plan"), and Section 2.2(c) of the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust Agreement (the "Trust Agreement"), the Trustees of the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust (the "Trust"), Anne M. Ferazzi, Harry Huge, and Richard E. Neville (the "Trustees"), hereby give notice of the filing of the Trust's Annual Report for the year ended December 31, 2012 (the "Annual Report"), a copy of which is attached hereto as Exhibit 1.

Consistent with Sections 2.2(c), 4.5(c), 5.6, and 6.5 of the Trust Agreement, the Annual Report includes the following: a copy of the Trust's financial statements for calendar years 2011 and 2012; the opinion and report from the independent auditors for the Trust; a summary of the number and type of claims disposed of during the year ended December 31, 2012 (the "Reporting Period"); and a report of the total fees and expenses paid to the Trustees, the Trust Advisory Committee, and the Future Claimants' Representative during the Reporting Period. As required by Section 2.2(c)(i) of the Trust Agreement, a copy of the Annual Report has been provided to the Trust Advisory Committee, the Future Claimants' Representative, and

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/1

Reorganized Armstrong World Industries, Inc. In addition, pursuant to Section 2.2(c)(iii) of the Trust Agreement, this report is available for inspection by the public through the records of the Bankruptcy Court and a copy has been provided to the office of the United States Trustee for the District of Delaware.

Dated: April 25, 2013

Respectfully submitted,

MORRIS JAMES LLP

/s/ Carl N. Kunz, III
Carl N. Kunz, III (DE Bar No. 3201)
500 Delaware Avenue, Suite 1500
P.O. Box 2306
Wilmington, Delaware 19899-2306
Tel: (302) 888-6800
Fax: (302) 571-1750
Email: ckunz@morrisjames.com

-and-

KEATING MUETHING & KLEKAMP PLL
Kevin E. Irwin (Ohio Bar No. 0021811)
Jennifer J. Morales (Ohio Bar No. 0076835)
One East Fourth Street, Suite 1400
Cincinnati, Ohio 45202
Tel: (513) 579-6400
Fax: (513) 579-6457
Email: kirwin@kmklaw.com
Email: jmorales@kmklaw.com

Counsel for Armstrong World Industries, Inc.
Asbestos Personal Injury Settlement Trust

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 2 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/2

EXHIBIT 1

Annual Report for the Year Ended December 31, 2012

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/3

Armstrong World Industries, Inc.
Asbestos Personal Injury Settlement Trust

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

Pursuant to Article 7.1 of the Fourth Amended Plan of Reorganization of Armstrong World Industries, Inc., as modified (the "Plan"), and Section 2.2(c) of the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust Agreement (the "Trust Agreement"), the Trustees of the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust (the "Trust"), Anne M. Ferazzi, Harry Huge, and Richard E. Neville (the "Trustees"), make the following Annual Report for the year ended December 31, 2012 (the "Annual Report").

A. Financial Statements

Section 2.2(c)(i) of the Trust Agreement requires the Annual Report to include the following:

> [F]inancial statements of the PI Trust (including, without limitation, a balance sheet of the Asbestos PI Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustees and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles.

Attached as Exhibit 1.A is a copy of the Armstrong World Industries, Inc. Asbestos PI Trust Financial Statements with Independent Auditors' Report as of December 31, 2012 and 2011 (the "Audited Financial Statements"). As required, the Trust's auditor, BKM Sowan Horan LLP, has conducted an audit of the Trust in accordance with auditing standards generally accepted in the United States, and has expressed an opinion that the Trust's financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2012 and

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/4

2011, and that the results of the Trust's operations and its cash flows for the years then ended are in conformity with the special-purpose basis of accounting described in the notes to the Audited Financial Statements. The auditor's opinion expressly provides that it is intended for the use of this Court.

B. Claims Summary

Section 2.2(c)(ii) of the Trust Agreement requires the Annual Report to include "a summary regarding the number and type of claims disposed of during the period covered by the financial statements." Attached as Exhibit 1.B is a summary of claims filed and paid by the Trust in 2012, and in total from the Trust's inception through the end of 2012.

The Delaware Claims Processing Facility ("DCPF") processes asbestos personal injury claims for the Trust. DCPF is a claims processing facility jointly owned by the Trust and four other asbestos trusts. DCPF operates in such a way that each of the trusts pays the pro rata cost of its usage of the facility. Trustee Anne Ferazzi sits on the board of DCPF and reports regularly to her fellow Trustees on issues relating to claims processing and the Trust's ownership interest in DCPF.

C. TrusteesôFees

Section 4.5(c) of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Trustees in 2012. The Audited Financial Statements separately set forth the amounts paid in fees and expenses to the Trustees during the year ended December 31, 2012 (the "Reporting Period").

D. Trust Advisory Committee Fees

Section 5.6 of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Trust Advisory Committee ("TAC"). The Audited Financial Statements separately set forth the amounts paid in fees and expenses to the TAC

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 5 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/5

members during the Reporting Period. The members of the TAC are Russell Budd, John D. Cooney, Steven Kazan, Joseph F. Rice, and Perry Weitz.

E. Future ClaimantsôRepresentative Fees

Section 6.5 of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Future Claimants' Representative ("FCR"). The Audited Financial Statements separately set forth the amounts paid in fees and expenses to the FCR during the Reporting Period. The FCR is Dean M. Trafelet.

F. Significant Events During the Reporting Period

1. AWI Stock Ownership

At its inception, the Trust was funded with cash, insurance assets, and 36,981,480 shares of Armstrong World Industries, Inc. ("AWI") stock. The AWI shares began to trade publicly on the New York Stock Exchange shortly after the Plan went effective. The Trust is the largest shareholder of AWI. The Trust's shareholdings in AWI are subject to certain restrictions contained in a Stockholder and Registration Rights Agreement and AWI's articles of incorporation (the "Restrictions").

As previously reported, on August 10, 2009, the Trust entered into a Purchase and Sale Agreement with certain Texas Pacific Group funds ("TPG Funds"), pursuant to which the Trust agreed to sell to TPG Funds 7,000,000 shares of the stock of AWI. At this same time, the Trust and TPG Funds entered into a Prepaid Share Forward Confirmation, pursuant to which TPG Funds purchased from the Trust economic interests in the equivalent of an additional 1,039,777 shares of AWI stock. The aggregate consideration for the purchase of the shares and interests by TPG Funds was approximately $180,000,000 in cash. The Trust reported these transactions on a Schedule 13D filed with the United States Securities and Exchange Commission on or about

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 6 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/6

August 11, 2009. After the sale of stock to TPG Funds the Trust owned approximately 51% of the stock of AWI.

As previously reported, after meeting with AWI management, representatives of TPG Funds, and the AWI Board of Directors to structure and implement a more efficient capital structure at AWI, the Trust and all other AWI shareholders of record on December 3, 2010, received an extraordinary cash dividend of $13.74 per AWI share on or about December 10, 2010. The Trust's proceeds from this extraordinary dividend were approximately $398 million. A second extraordinary cash dividend of $8.55 per AWI share, aggregating approximately $248 million, was received on April 10, 2012.

Since the inception of the Trust, the Trustees have frequently conferred with their retained professionals to determine what action concerning the Trust's ownership of AWI stock, consistent with the Restrictions and the Trust's obligations, if any, under Pennsylvania law, would be in the best interest of the Trust's beneficiaries. The Trustees and their advisors continued in 2012 to devote considerable time to monitoring AWI's performance. The Trustees conferred regularly, often on a weekly or more frequent basis, with the Trust's corporate counsel and the Trust's financial advisor, currently Perella Weinberg Partners ("PWP"). Moreover, the Trustees were in frequent contact with AWI management, both directly and through their professionals.

Throughout the Reporting Period, PWP continued to update the Trustees on possible monetization strategies for the Trust's AWI stock holdings. In September 2012, PWP recommended that the Trustees consider a secondary offering of AWI shares. In reliance on that recommendation, the Trustees directed PWP to move forward with a secondary offering by the Trust as selling shareholder and to also engage TPG Funds in a discussion of the Trust's

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 7 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/7

intentions. In November 2012, a syndicate of banks led by Bank of America Merrill Lynch and Barclays effected the proposed secondary public offering. A price of $51.00 per share was achieved, and the Trust received $196.6 million in proceeds from the secondary offering.

In December 2012, the "green shoe" option was exercised at the same $51.00 per share price, and the Trust realized additional proceeds of $29.5 million.

During the Reporting Period, the Trust continued to have two designees on the AWI Board of Directors. In 2013, the Trust's designees were Richard E. Wenz and Michael F. Johnston.

In addition to having designees on the AWI Board of Directors, the Trustees regularly attended AWI Board meetings as observers and benefitted from the continuing involvement of Trust representatives within the strategic planning process at AWI.

2. Reconsideration of the Payment Percentage

Under Section 4.2 of the Trust Distribution Procedures, the Trustees must re-determine the Payment Percentage no less frequently than once every three years. As previously reported, to fulfill this requirement, in February 2010 the Trustees directed Analysis Research Planning Corporation ("ARPC"), claims consultant to the Trust, to prepare a detailed report on the current estimates of the numbers, types, and values of present and future Trust claims, the value of the assets available to the Trust for their payment, and any other expenses or other matters that could affect the sufficiency of funds to pay a comparable percentage of full value to all holders of Trust claims. With input from the Trust's financial advisors, J.P. Morgan and Cambridge Associates, ARPC concluded that no adjustment to the Payment Percentage was warranted at that time. The Trustees accepted this recommendation, and the Payment Percentage remained at 20%.

During the Reporting Period, at the request of the Trustees, ARPC continued to monitor the many factors affecting the determination of the Payment Percentage, notably the potential

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 8 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/8

impact of the receipt of proceeds from the secondary offering of AWI stock. At the direction of the Trustees, ARPC began work on an updated future claims forecast to be used in conjunction with the reconsideration of the Payment Percentage in the upcoming year as provided for in the TDP.

3. Extension of Trustee Ferazzi's Term

On October 3, 2012, Trustees Huge and Neville, with the consent of the TAC and FCR, elected Ann M. Ferazzi to serve an additional five-year term as Trustee as provided for in the Trust Agreement.

4. Trust Investments

As of the end of the Reporting Period, the Trust had approximately $1,217,243,537 in fixed income investments and approximately $116,297,825 in equity investments, excluding its holdings in AWI stock and Huntington cash. The total return on these investments (excluding AWI stock) was 4.2% in calendar year 2012.

Exhibit 1.C to this Report shows the Trust's investment portfolio's asset allocation, along with the Trust's equity ownership in AWI, Inc. The total return on the Trust's investment portfolio in calendar year 2012, including its holdings in AWI stock, was 22.0% (12.2% annualized since inception). Advised by their financial professionals, the Trustees continue to actively monitor the Trust's investment portfolio.

5. TDP Amendments

On May 16, 2012, the Trustees, with the consent on the TAC and FCR, approved certain amendments to the TDP. Sections 2.4, 2.5, 4.3, and 7.3 were revised in part to address payment on selected claims in the event of a reduction in the Payment Percentage.

On November 19, 2012, the Trustees, again with consent on the TAC and FCR, amended Section 5.1(a)(2) of the TDP relating to the effect of the statutes of limitation and repose.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 9 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/9

A complete copy of he TDP is available at www.armstrongworldasbestostrust.com under Popular Downloads/More Downloads.

6. Meetings

In fulfillment of the meeting requirements contained in the Trust Agreement, during the Reporting Period, the Trustees held quarterly meetings with the TAC and FCR. In addition, the Trustees conferred among themselves on weekly conference calls and through in-person monthly meetings.

7. Office

As previously reported, the Trust's office is located at 1105 North Market Street, Wilmington, Delaware.

8. Officers

The Trustees previously appointed Dr. B. Thomas Florence and John Brophy of ARPC as the Trust's Executive Director and Assistant Executive Director, respectively. They serve as the only officers of the Trust, and they directed the day-to-day management of the Trust throughout the Reporting Period.

G. Additional Information

For additional information regarding the Trust's financials or operations, please contact its General Counsel, Keating Muething & Klekamp PLL, One East Fourth Street, Suite 1400, Cincinnati, Ohio 45202, attention: Kevin E. Irwin. For information on how to file a claim with the Trust, please visit the Trust's website: www.armstrongworldasbestostrust.com.

4876502.1

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 10 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/10

EXHIBIT 1.A

Audited Financial Statements

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/11

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Special-Purpose Financial Statements
with
Report of Independent Auditors

Years Ended December 31, 2012 and 2011

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/12

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Table of Contents

	Page
Report of Independent Auditors	1 - 2
Financial Statements:	
Special-Purpose Statements of Assets, Liabilities, and Net Assets Available for the Payment of Claims	3
Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims	4
Special-Purpose Statements of Cash Flows	5
Notes to Special-Purpose Financial Statements	6 - 17
Supplemental Information:	
Report of Independent Auditors on Supplementary Information	18
Supplemental Schedule of Operating Expenses	19

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/13

BKM SOWAN HORAN

Accountants + Consultants

15301 Dallas Parkway
Suite 960
Addison, Texas 75001
MAIN 214 545 3965
FAX 214 545 3966
www.bkmsh.com

REPORT OF INDEPENDENT AUDITORS

To the Trustees
Armstrong World Industries, Inc. Asbestos PI Settlement Trust

We have audited the accompanying special-purpose financial statements of the Armstrong World Industries, Inc. Asbestos PI Settlement Trust (the Trust), which comprise the statements of assets, liabilities, and net assets available for the payment of claims as of December 31, 2012 and 2011, and the related special-purpose statements of changes in net assets available for the payment of claims and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the special-purpose accounting methods adopted by the Trust and its Trustees, as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/14

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2012 and 2011, and the results of its operations and cash flows for the years then ended in conformity with the special-purpose basis of accounting described in Note 2.

Emphasis of Matter

As described in Note 2 to the special-purpose financial statements, these financial statements were prepared on a special-purpose basis of accounting and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to communicate the amount of net assets presently available for current and future claimants to the Trust.

Restriction of Use

This report is intended for the information and use of the Trustees, management of the Trust, the Trust Advisory Committee, the Future Claimant Representative, and for filing with the United States Bankruptcy Court for the District of Delaware and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which, upon filing with the United States Bankruptcy Court for the District of Delaware, is a matter of public record.

BKM Sowan Horan, LLP

Certified Public Accountants
Addison, TX
April 17, 2013

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/15

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Special-Purpose Statements of Assets, Liabilities and Net Assets
Available for the Payment of Claims

	December 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$ 194,605,003	$ 74,667,213
Prepaid expenses	415,129	-
Investments:		
Equity securities, at fair market value	1,349,553,459	1,376,327,798
Debt securities, at fair market value	1,103,447,517	815,276,670
Equity securities under forward contract, net	23,197,425	23,197,425
Interest and dividend income receivable	13,083,179	9,772,942
Income tax receivable	4,262,898	4,697,395
Total assets	2,688,564,610	2,303,939,443
LIABILITIES		
Accounts payable and accrued expenses	1,907,133	1,071,140
Income tax payable	10,110,000	-
Accrued personal injury claims	333,341	493,288
Advance payment on forward contract	23,197,425	23,197,425
Total liabilities	35,547,899	24,761,853
Net assets available for the the payment of claims	$ 2,653,016,711	$ 2,279,177,590

See accompanying notes to special-purpose financial statements

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 16 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/16

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Special-Purpose Statements of Changes in Net Assets
Available for the Payment of Claims

	Years Ended December 31,	
	2012	2011
Additions		
Interest and dividend income, net of amortization	$ **27,697,039**	$ 29,011,079
Special dividend, net (Note 3)	**247,451,561**	-
Insurance proceeds received	**5,695**	8,885,808
Net realized gain on investments	**69,350,891**	13,647,871
Net unrealized gain on investments	**139,489,631**	47,963,244
Total additions	**483,994,817**	99,508,002
Deductions		
Personal injury claim expense	**49,463,584**	188,685,540
Operating expenses	**8,995,850**	8,283,264
Claim processing expenses	**6,607,662**	7,700,317
Federal income tax expense	**45,088,600**	-
Total deductions	**110,155,696**	204,669,121
Increase (decrease) in net assets available for the payment of claims	**373,839,121**	(105,161,119)
Net assets available for the payment of claims:		
Beginning of year	**2,279,177,590**	2,384,338,709
End of year	$ **2,653,016,711**	$ 2,279,177,590

See accompanying notes to special-purpose financial statements

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 17 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/17

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Special-Purpose Statements of Cash Flows

	Years Ended December 31, 2012	2011
Cash flows from operating activities		
Increase (decrease) in net assets available for the payment of claims	$ **373,839,121**	$ (105,161,119)
Adjustments to reconcile increase (decrease) in net assets available for the payment of claims to net cash provided by (used in) operating activities:		
Net unrealized gain on investments	**(139,489,631)**	(47,963,244)
Net realized gains on investments	**(69,350,891)**	(13,647,871)
Amortization of premiums on bonds, net	**16,066,191**	11,662,860
Changes in operating assets and liabilities:		
Interest and dividend income receivable	**(3,310,237)**	727,132
Income tax receivable	**434,497**	3,818,035
Accounts payable and accrued expenses	**420,864**	196,904
Income tax payable	**10,110,000**	-
Accrued personal injury claims	**(159,947)**	(1,240,161)
Net cash provided by (used in) operating activities	**188,559,967**	(151,607,464)
Cash flows from investing activities		
Proceeds and maturities from debt securities	**430,422,839**	664,876,088
Purchases of debt securities	**(729,442,304)**	(642,988,914)
Purchases of equity securities	**(23,403,038)**	(6,097,616)
Proceeds from equity securities	**253,800,326**	3,582,969
Net cash provided by (used in) investing activities	**(68,622,177)**	19,372,527
Net increase (decrease) in cash and cash equivalents	**119,937,790**	(132,234,937)
Cash and cash equivalents, beginning of period	**74,667,213**	206,902,150
Cash and cash equivalents, end of period	$ **194,605,003**	$ 74,667,213

See accompanying notes to special-purpose financial statements

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 18 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/18

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 1 - Description of the Trust

General

The Armstrong World Industries, Inc. Asbestos PI Settlement Trust (the Trust) is a Qualified Settlement Fund (QSF) within the meaning of Treasury Department regulations issued pursuant to Section 468B of the Internal Revenue Code. The Trust was created on October 2, 2006, in connection with confirmation of the Fourth Amended Plan of Reorganization of Armstrong World Industries, Inc. (the Plan). The Plan was confirmed by an order (the Order) entered on August 18, 2006, by the United States District Court for the Eastern District of Pennsylvania.

The purpose of the Trust is to assume the liabilities of Armstrong World Industries, Inc. (AWI), its predecessors and successors in interest, for all Asbestos Personal Injury Claims (as defined in the Plan), and to use the Trust's assets and income to pay the holders of all Asbestos Personal Injury Claims in accordance with the Trust Agreement and the Trust Distribution Procedures in such a way that such holders of Asbestos Personal Injury Claims are treated fairly, equitably, and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code.

The Trust is governed by a Trust Agreement and Trust Distribution Procedures (TDP) that establish the framework and criteria for allowance and payment of asbestos-related claims by the Trust. The Trust Agreement and TDP were approved by the United States District Court as part of the Plan. There are eight disease levels specified in the TDP. Each claimant who meets the medical and exposure requirements of the TDP for a particular disease level may apply for expedited review and a specified payment amount. Claimants also have an alternative, under the TDP, to submit additional documentation and request a more expansive review of their claim (TDP - 5.3b Individual Review Process) in which case claims may be paid within a range of amounts.

The Trust's assets consist primarily of cash and cash equivalents and investment securities, which, with the earnings (or losses) on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the amount of each allowed claim that will actually be paid will be determined by projections of total allowed Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings (or losses), on the other. Pursuant to the TDP, the initial payment percentage was established at 20 percent. There have been no changes to the payment percentage since inception.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 19 of 39 asbestosclaims.law/library/14250/19

Note 1 - Description of the Trust – (Continued)

General - continued

The Trustees are fiduciaries to the beneficiaries of the Trust and are responsible for administering the Trust and the Trust's assets in accordance with the Trust Agreement and the Plan.

Termination

Section 7.2 of the Trust Agreement provides that the Trust shall automatically terminate on the date (the Termination Date) ninety (90) days after the first to occur of the following events:

- the Trustees decide to terminate the Trust because (A) they deem it unlikely that new asbestos claims will be filed against the Trust, (B) all Asbestos Personal Injury Claims duly filed with the Trust have been liquidated and paid to the extent provided in this Trust Agreement and the TDP or disallowed by a final, non-appealable order, to the extent possible based upon the funds available through the Plan, and (C) twelve (12) consecutive months have elapsed during which no new asbestos claim has been filed with the Trust; or

- if the Trustees have procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement and the TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a final order; or

- to the extent that any rule against perpetuities shall be deemed applicable to the Trust, twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on October 2, 2006.

On the Termination Date, after payment of all the Trust's liabilities have been provided for, any remaining assets of the Trust shall be applied to such charitable purposes as the Trustees in their reasonable discretion shall determine, which charitable purposes, if practicable, shall be related to the treatment of, research regarding, or payment of claims related to, asbestos-caused disorders.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 20 of 39 asbestosclaims.law/library/14250/20

Note 2 - Summary of Significant Accounting Policies

Basis of presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trust and its Trustees, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are recorded when they are received by the Trust and are available for the payment of asbestos claims. Under GAAP, assets are recorded when they can be estimated and collection is assured.

- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.

- The full amounts of claims are expensed in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant, with an approved release. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

- Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

- Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expense related to purchases of property and equipment.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 21 of 39 asbestosclaims.law/library/14250/21

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of presentation - continued

- Income tax expense (benefit) is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes. Under GAAP, the provision for income taxes is recorded based upon income (loss) reported for financial statement purposes, which includes federal and state income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. In addition, GAAP requires all tax positions to be reviewed using a more likely than not threshold for financial statement recognition and record a liability for a position taken or expected to be take beyond this threshold.

- Asbestos insurance recoveries are not recorded until the funds are received from the insurance carriers. Under GAAP, asbestos insurance recoveries are recorded upon settlement and assurance of collectability.

- Investments are recorded at fair market value which is as defined as the value or price that would be paid by the entity for the asset in the market. Under GAAP, fair value is defined as the exit price and not the purchase price that would be paid at the measurement date by an external party. All interest and dividend income, net of interest expenses, are included in interest and dividend income in the accompanying special-purpose statements of changes in net assets available for the payment of claims. The net realized and unrealized gains or losses on investments are recorded on the special-purpose statements of changes in net assets available for payment of claims. Under GAAP, unrealized gains and losses are recorded as other comprehensive income or loss, with the accumulated balance disclosed separately on the special-purpose statements of assets, liabilities and net assets available for the payment of claims. Finally, GAAP requires additional disclosure including the classification of investments into a hierarchy of levels, the basis for those levels, and a schedule outlining movement between the levels.

- The equity securities subject to the agreement discussed in the Note 4 were recorded at fair market value less an unrealized loss. The unrealized loss represents the difference between the fair market value of the equity securities and the advance payment under the forward contract. This treatment recognizes that any future economic value of these

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 22 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/22

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of presentation – continued

- shares, including changes in fair market value, has been transferred to TPG. Under GAAP, the equity securities would be recorded at fair market value and the advance payment on the forward contract would be accounted for as security loan whose value would fluctuate based on changes in the fair market value of underlying equity securities.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the special-purpose financial statements for matters requiring recognition or disclosure in the special-purpose final statements. The accompanying special-purpose financial statements consider events through April 17, 2013, the date which the special-purpose financial statements were available to be issued.

Cash and cash equivalents

The Trust considers all highly liquid debt instruments purchased with an original maturity of three (3) months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Investments

Investments are stated at estimated fair market value based on quoted market prices as of the date of the special-purpose financial statements. Changes in fair value are recorded as increases or decreases to net assets available for the payment of claims. Realized gains and losses are calculated based on the specific identification method. The Trust records transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recorded on an accrual basis.

Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of accruals and outstanding invoices associated with managing and operating the Trust.

Accrued personal injury claims

Accrued personal injury claims consist of certain personal injury claims that are settled but unpaid at year end.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 23 of 39 asbestosclaims.law/library/14250/23

Note 2 - Summary of Significant Accounting Policies – (Continued)

Claims expense

Amounts due to claimants for allowed claims are recorded when approved by Trustees and signed releases are received. The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net assets available for the payment of claims at December 31, 2012 may or may not be sufficient to meet all future obligations of the Trust.

Claims processing expense

Claim processing expenses are recorded as incurred. See Note 5 and 6.

Federal income tax expense

The Trust reports its income to the Internal Revenue Service (IRS) as a qualified settlement fund, which is taxed at the highest rate applicable to trusts under Section 1(e) of the Code, which rate is 35% at December 31, 2012 and increasing to 39.6% on January 1, 2013. As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code.

Use of estimates

The preparation of the special-purpose financial statements requires the Trustees and management of the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, and the reported amounts of additions and deductions to the net assets available for the payment of claims during the reporting periods. Significant items subject to such estimates and assumptions include the fair market value of investments and the estimation of current income taxes. Actual results could differ from these estimates and such differences could have a material effect on the net assets available for the payment of claims.

Concentration of credit risk

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, cash equivalents, and investments. The Trust maintains cash and cash equivalents at financial institutions it considers to be of high credit quality. At times, the Trust may have cash deposits in banks that exceed federally insured limits. The Trust has not experienced any losses in such accounts and does not believe it is exposed to any significant risk of loss related to cash.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 24 of 39 asbestosclaims.law/library/14250/24

Note 2 - Summary of Significant Accounting Policies – (Continued)

Concentration of credit risk - continued

The Trust's investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the value of the Trust's portfolio.

Note 3 – Investments

The Trust Agreement provides general guidelines for the investments of the Trust.

With the assistance of the Trust's investment advisor, a nationwide search was conducted for a custody bank. The Trustees selected Wilmington Trust Bank as its temporary custodian. Subsequently, the Trustees selected Mellon Bank as its permanent custodian. In accordance with the asset allocation model proposed by Cambridge Associates, the investment advisor, the Trust utilizes three fixed income managers, one U.S. equity manager, and one non-U.S. equity manager for direct investment. The account with the non-U.S. equity manager was liquidated during 2012. Investments consist of the following:

	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
AWI stock	$ 870,222,319	$ 363,674,999	$ -	$ 1,233,897,318
Debt securities	1,078,016,263	32,204,556	(6,773,302)	1,103,447,517
Equity securities	108,182,272	15,673,216	(8,199,347)	115,656,141
	$ 2,056,420,854	$ 411,552,771	$ (14,972,649)	$ 2,453,000,976

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 25 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/25

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Notes To Special-Purpose Financial Statements

Note 3 – Investments – (Continued)

	December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
AWI stock	$ 1,035,476,250	$ 234,196,261	$ -	$ 1,269,672,511
Debt securities	781,163,996	36,871,607	(2,758,933)	815,276,670
Equity securities	117,872,712	30,055,237	(41,272,662)	106,655,287
	$ 1,934,512,958	$ 301,123,105	$ (44,031,595)	$ 2,191,604,468

On March 30, 2012 the Trust received a special dividend of $8.55 on each of the Trust's beneficially owned shares (29,981,480) of Armstrong World Industries, Inc. for a total of approximately $256,342,000. Approximately $8,890,000 of this dividend was paid to TPG Funds in connection with the pledged 1,039,777 shares discussed in Note 4.

Note 4 - Sales of AWI Stock

TPG Funds Transaction

The Trust and certain Texas Pacific Group funds (TPG Funds) entered into a Purchase and Sale Agreement, dated August 10, 2009 (the Purchase and Sale Agreement), pursuant to which the Trust agreed to sell to TPG Funds 7,000,000 shares of AWI Common Stock (the Initial Shares) at a price of $22.31 per share in cash (the Per Share Price). Simultaneously with the purchase and sale of the Initial Shares, the Trust and the TPG Funds entered into a Prepaid Share Forward Confirmation (the Confirmation) pursuant to which the TPG Funds purchased from the Trust economic interest in the equivalent of an additional 1,039,777 shares of AWI Common Stock (the Initial Interests together with the Initial Shares, the Initial Investment) at the Per Share Price, subject to the terms and conditions of a ISDA 2002 Master Agreement and the related Collateral Annex, by and between the Trust and the TPG Funds, (the Collateral Annex) pursuant to which the Trust pledged 1,039,777 shares of AWI Common Stock as collateral for its obligations under the Confirmation.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 26 of 39 asbestosclaims.law/library/14250/26

Note 4 - Sales of AWI Stock - (Continued)

TPG Funds Transaction - continued

The Confirmation provides that the Initial Interests will be cash-settled, absent an election by the Trust to physically settle through the delivery of shares, on the third currency business day following the 20th scheduled trading day beginning on November 4, 2013. The aggregate consideration for the purchase of the Initial Shares and the Initial Interests was approximately $180,000,000 in cash.

Simultaneously with the purchase and sale of the Initial Investment on August 28, 2009, the Trust and TPG Funds entered into a Shareholders' Agreement (as amended, the Shareholders Agreement), which provides for certain rights and obligations between the parties thereto. Under the Shareholders' Agreement, the Trust and the TPG Funds have agreed, subject to certain conditions regarding the ownership of shares by the TPG Funds, to take all necessary actions to cause the AWI Board of Directors to consist of 11 directors including two directors designated by the Trust, two directors designated by TPG, AWI's Chief Executive Officer and six independent directors (as defined in AWI's articles of incorporation) mutually agreed upon by the Trust and TPG. In addition, the Trust and TPG have agreed to recommend to the Board of Directors of the Company that they each be permitted an observer with the right to attend Board meetings with a voice but not a vote and to receive Board meeting materials.

The Shareholders' Agreement includes certain reciprocal rights and obligations, including tag-along rights in the event of certain sales to third parties. The Trust transferred to the TPG Funds its registration rights under an existing agreement with AWI to the extent they relate to the Initial Shares and any shares of AWI Common Stock delivered to the TPG Funds from the Trust in the event of physical settlement under the Confirmation.

The Confirmation shares are accounted for on the Trust's special-purpose financial statements at fair market value at the date the transaction occurred less an unrealized loss of approximately $14,006,000. The unrealized loss represents the difference between the fair market value of the Confirmation shares on the date of the transaction and the advance payment under the forward contract. This treatment recognizes that any future economic value of these shares, including changes in fair market value, has been transferred to TPG. In March 2012, TPG received a special dividend on the confirmation shares of approximately $8,890,000. See Note 3.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 27 of 39 asbestosclaims.law/library/14250/27

Note 4 - Sales of AWI Stock – (Continued)

Sale of AWI Common Stock in Secondary Offering

In November and December of 2012, the Trust was a selling shareholder in a secondary offering by AWI. The Trust sold 4,618,870 shares at a price of $51.00 per share before an underwriters discount and commission of $2.04 per share. The Trust has recorded a net realized gain on the sale of the AWI common stock of approximately $13.18 per share or $60,886,000.

At December 31, 2012 and 2011, the Trust is the beneficial owner of 25,362,610 and 29,981,480 shares of AWI common stock, respectively.

Note 5 - Investment in Related Party

In November 2006, the Trust became one of five equal owner trusts of Delaware Claims Processing Facility LLC (DCPF). Each of the five trusts owns 100 member units. The Trust was required to make an initial capital contribution of $100.

In connection with the investment, the Trust entered into a Master Claims Processing Agreement (the Agreement) with DCPF. The Agreement expired on December 31, 2008, but will automatically renew for an additional one-year period on the same terms unless either party to the Agreement provides written notice to the other at least six months prior to the end of the current term. Under the Agreement, DCPF agrees to (a) process and pay claims under the terms of the TDP, (b) provide electronic filing services through its proprietary electronic filing systems, (c) provide claims-related document and data storage, and (d) provide bookkeeping and accounting support services, meeting planning, and administrative support services, if requested. In exchange for the services provided, the Trust will pay its pro rata portion of expenses on the agreed upon allocation methodology as defined in the Agreement. The Trust's expenses under this agreement totaled approximately $4,900,000 and $6,300,000 for the years ended December 31, 2012 and 2011, respectively, and are included in claim processing expenses on the special-purpose statements of changes in net assets available for the payment of claims.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 28 of 39 asbestosclaims.law/library/14250/28

Note 6 - Claims Processing

The Trust reviews and determines Asbestos Claims in accordance with the TDP. The TDP provides for processing, allowing or disallowing, liquidating and paying all Asbestos Claims as required by the Plan and the Trust Agreement.

Note 7 - Trustees' Advisory Committee and Future Claimant Representative

The Trust Agreement sets forth the role and responsibility of the Trust Advisory Committee (TAC) and Future Claimant Representative (FCR). The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims (Current Claimants). The Trustees are required to consult with and/or obtain the consent of the TAC on certain matters identified in the Trust Agreement and TDP. The TAC is comprised of attorneys who are engaged by Current Claimants.

The FCR serves in a fiduciary capacity, representing the interests of the future Asbestos Claimants, for the purpose of protecting the rights of persons who might subsequently assert future and unknown demands. The Trustees must consult with and/or obtain the consent of the FCR on certain matters identified in the Trust Agreement and the TDP.

Note 8 – Taxation

The Trust's income tax receivables as of December 31, 2012 and 2011 were created from net operating losses that were carried back to prior years. These carryback claims were examined by the Internal Revenue Service and subsequently closed without change in 2012. The refund claims were received in March 2013. The tax years subsequent to December 31, 2010 remain open for examination.

For the year ended December 31, 2012, the Trust had net taxable income of approximately $127,200,000 and federal income taxes due of approximately $45,089,000 of which estimated tax payments of approximately $34,400,000 have been made. As discussed in Note 4, certain special dividends were not completely taxable to the Trust as the dividend paid was greater than the amount of earnings and profits of AWI. The portion of these special dividends in excess of the earnings and profits have reduced the Trust's tax basis in their AWI stock holdings. In 2012, the Trust fully utilized the capital loss carryforward of approximately $99,400,000 and operating loss carryforward of approximately $12,875,000.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report Published by AsbestosClaims.Law
ACL Doc 14250 · Page 29 of 39 asbestosclaims.law/library/14250/29

Note 9 - Commitments and Contingencies

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust. The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material. The Trust has obtained insurance for purposes of supporting its obligation to indemnify the Trustees.

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 30 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/30

SUPPLEMENTAL INFORMATION

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Trustees
Armstrong World Industries, Inc. Asbestos PI Settlement Trust:

We have audited the special-purpose financial statements of the Armstrong World Industries, Inc. Asbestos PI Settlement Trust (the Trust) as of and for the years ended December 31, 2012 and 2011, and our report thereon dated April 17, 2013, which expressed an unmodified opinion on those financial statements, appears on pages two and three. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental material included in the following section is presented for purposes of additional analysis and is not a required part of the basic special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BKM Sowan Horan, LLP

April 17, 2013

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/32

ARMSTRONG WORLD INDUSTRIES, INC.
ASBESTOS PI SETTLEMENT TRUST

Supplemental Schedule of Operating Expenses

	Years Ended December 31,	
	2012	2011
Investment management and bank fees and expenses	$ **4,716,869**	$ 3,295,904
Legal fees and expenses	**2,113,039**	2,804,331
Trust liability insurance	**492,260**	495,725
Trustee fees and expenses	**949,199**	1,040,058
Accounting, audit, and tax fees and expenses	**182,757**	185,724
Trust advisory committee fees and expenses	**91,071**	152,943
Future claimants representative fees and expenses	**328,383**	117,261
Miscellaneous operating expenses	**122,272**	191,318
Total operating expenses	$ **8,995,850**	$ 8,283,264

See report of indpendent auditors on supplemental information

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 33 of 39
Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/33

EXHIBIT 1.B

Summary of Claims

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/34

Armstrong World Industries Asbestos Trust Annual Reports, 2012 annual report
ACL Doc 14250 · Page 35 of 39

Armstrong World Industries Asbestos Trust

FY2012 Annual Report Information

Period: 1-1-2012 through 12-31-2012

	# of Claims Received	# of Claims Paid		Claims Paid $	
		Malignant	Non-Malignant	Malig	Non-Malig
TDP Claims	25,426	2,383	9,648	$49,670,066	
Pre-Petition Liquidated Claims		-	8	$6,466	

Period: Inception through 12-31-2012

	# of Claims Received	# of Claims Paid		Claims Paid $	
		Malignant	Non-Malignant	Malig	Non-Malig
TDP Claims	538,359	34,751	172,483	$886,452,987	
Pre-Petition Liquidated Claims		34	957	$9,314,819 See Note 1	

1. Includes payment made to the Center for Claims Resolution under a Settlement Agreement with AWI, Inc. approved by the United States Bankruptcy Court for the District of Delaware.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/35

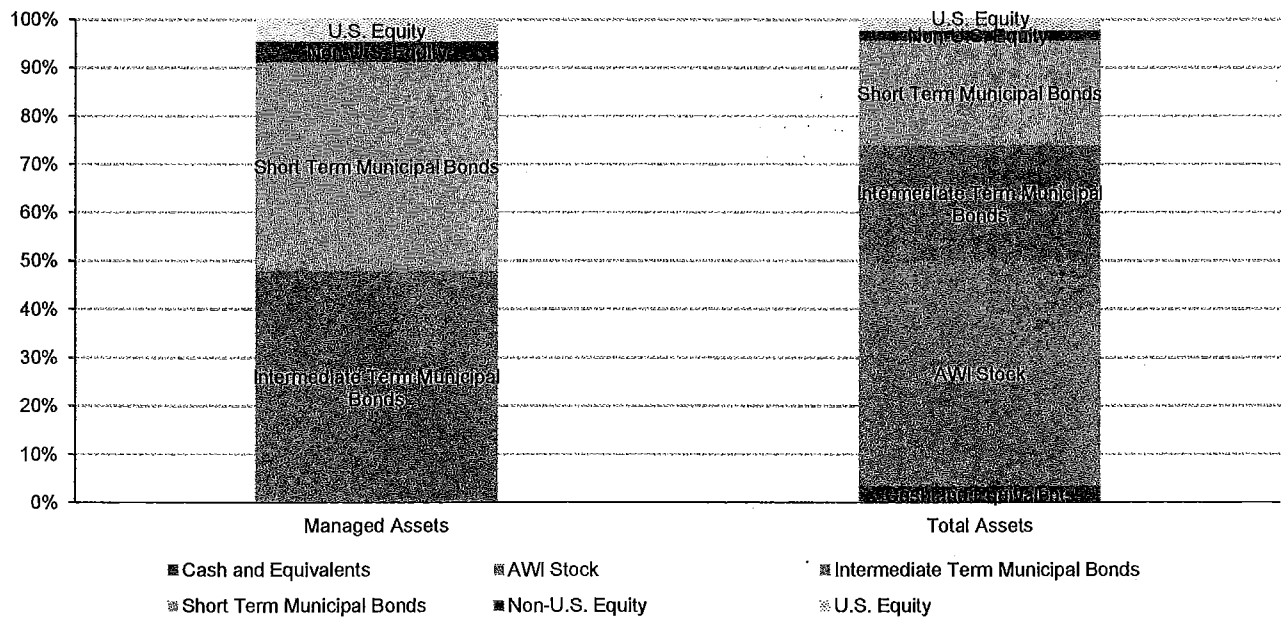
EXHIBIT 1.C

Asset Allocation & Asset Class Returns (Net) as of December 31, 2012

Armstrong World Industries, Inc. Asbestos Settlement Trust
Asset Allocation & Asset Class Returns (Net)
As of December 31, 2012

Asset Class	Assets $	% of Managed Assets	% of Total Assets	Total Return 12/31/11-12/31/12
U.S. Equity	59,855,619.00	4.5%	2.2%	15.8%
Non-U.S. Equity	56,442,206.00	4.2%	2.1%	15.4%
Short Term Municipal Bonds	578,280,254.88	43.4%	21.7%	0.5%
Intermediate Term Municipal Bonds	638,963,282.45	47.9%	24.0%	5.1%
Total Managed Assets	**1,333,541,362.33**	**100.0%**	**50.1%**	**4.2%**
AWI Stock	1,233,897,318.09		46.4%	35.9%
Cash and Equivalents	93,021,481.18		3.5%	---
Total Assets	**2,660,460,161.60**		**100.0%**	**22.0%**

Armstrong World Industries, Inc. Asbestos Settlement Trust Asset Allocation as of December 31, 2012



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
ARMSTRONG WORLD INDUSTRIES,, INC., et al.,	)	Case No. 00-4471 (JKF)
	)	
Debtors.	)	

AFFIDAVIT OF WILLIAM W. WELLER, PARALEGAL

STATE OF DELAWARE :
: SS:
NEW CASTLE COUNTY :

I, William W. Weller, certify that I am, and at all times during the service, have been an employee of Morris James LLP, not less than 18 years of age and not a party to the matter concerning which service was made. I certify further that on April 25, 2013, I caused to be served:

ARMSTRONG WORLD INDUSTRIES, INC. ASBESTOS PERSONAL INJURY SETTLEMENT TRUST'S NOTICE OF FILING OF ANNUAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2012

Service was completed upon the party on the attached list as indicated thereon.

Date: April 25, 2013

William W. Weller

SWORN AND SUBSCRIBED before me this 25th day of April, 2013.

JULIE L. FIELDER MY COMMISSION EXPIRES NOV. 26, 2014 NOTARY PUBLIC STATE OF DELAWARE

NOTARY
My commission expires: 11/26/14

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/38

VIA HAND DELIVERY
Office of the United States Trustee
J. Caleb Boggs Federal Building
844 North King Street, Suite 2207
Lockbox #35
Wilmington, DE 19801

Published by AsbestosClaims.Law
asbestosclaims.law/library/14250/39