Business

Thursday, May 29, 1997 — — The Dallas Morning News — A

PLAINTIFF'S EXHIBIT
K-2083

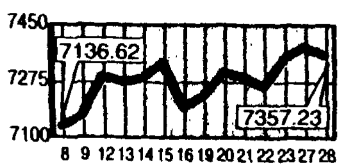
DIGEST

TODAY'S NEWS

MARKET MOVERS

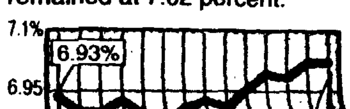
Dow Jones

Small-company shares advanced Wednesday, but the Dow was down 26.18 points.



30-year Treasury bond

The Treasury's main 30-year bond finished unchanged from Tuesday, and the yield remained at 7.02 percent.



Fibreboard agrees to sale

Owens Corning gains building lines

By Jim Mitchell
Staff Writer of The Dallas Morning News

Owens Corning, continuing a three-year acquisition spree, is buying Dallas-based Fibreboard Corp. for about $600 million.

Toledo, Ohio-based Owens Corning, best known as a maker of glass-fiber composites and building materials, will pay $55 for each of Fibreboard's 9.5 million shares outstanding and assume about $85 million of debt. The boards of both companies have approved the transaction and expect to complete the deal during the third quarter.

Owens officials said the company has not decided whether to retain Fibreboard's headquarters in downtown Dallas, but it does not expect to make any immediate changes at Fibreboard's operating units. Fibreboard employs 3,400 people, including about 30 at its headquarters, and operates 21 manufacturing plants.

Fibreboard chairman John D. Roach, 53, said he will stay with the company through the transition but plans to leave to pursue other entrepreneurial ventures.

"I don't see a long-term role. I want to continue to build businesses and add value," he said.

The purchase is Owens' 16th in the last three years and provides an entry into faster-growing portions of the building products industry, Wall Street analysts and company officials say. Fibreboard, which moved to Dallas last year from Northern California, produces vinyl siding, manufactured stone, industrial insulation and other products that Owens does not make or sell. In addition, Fibreboard has been growing faster than its industry, officials said.

"It's really a nice fit," Owens spokesman William Hamilton said.

The sale marks a major six-year turnaround that has transformed Fibreboard from a maker of pressed

Please see OWENS on Page 5D.

A $600

Fibreboa

SPECIAL REPORT

... the 1980s.

The new building will complete the project and will be one of the

mid-$20-per-square-foot [annually] range," he said.

Please see 16-STORY on Page 12D.

to my other retirement money, I should definitely not need any of these funds during that 10-year

Owens to acquire Fibreboard

Continued from Page 1D.
wood products to a major manufacturer of vinyl siding, a fast-growing part of the building products business.

Mr. Roach replaced much of the company's management and sold a troubled wood products division and a resort operation. Fibreboard then bolstered its vinyl siding business with the acquisitions of three vinyl products companies, Norandex Vinyl Products Co., Fabwel Inc. and Vytec Corp.

It also added Stone Products Corp., a maker of stone building products.

Overall, the restructuring trimmed Fibreboard's results last year to $51.7 million in net income on revenue of $468.9 million, down from $95.8 million in net income on revenue of $335.8 million in 1995. The changes, however, made Fibreboard an attractive acquisition in a rapidly consolidating industry, officials said.

Fibreboard now is one of the five largest makers of vinyl siding for homes and is growing about 30 percent a year, Mr Roach said. In contrast, consumer demand for vinyl siding has increased at about a 10 percent annual rate, while the building products industry has expanded at a more modest 3 percent annual pace, he said.

Mr. Hamilton, the Owens spokesman, said the company intends to sell Fibreboard's products through Owens' distribution network to large retailers such as home improvement centers and to a lesser extent distribute Owens products through Fibreboard's 130 company-owned distribution centers in 32 states.

Last year, Owens lost $284 million on revenue of $3.8 billion after taking a charge of more than $875 million related to settlement of asbestos litigation claims. During the previous year, Owens earned $231 million on revenue of $3.6 billion.

Fibreboard stock closed at $54.31, up $6.81 in trading on the American Stock Exchange. Owens stock closed at $41.63, up 50 cents in trading on the New York Stock Exchange.