Owens-Corning Fiberglas Corporation

1993 Annual Report

218

OWENS
CORNING

Owens-Corning is a global, technology-based enterprise that develops, manufactures and markets materials for consumers and industrial customers. The Company is the world's technological leader in the science of glass fiberization.

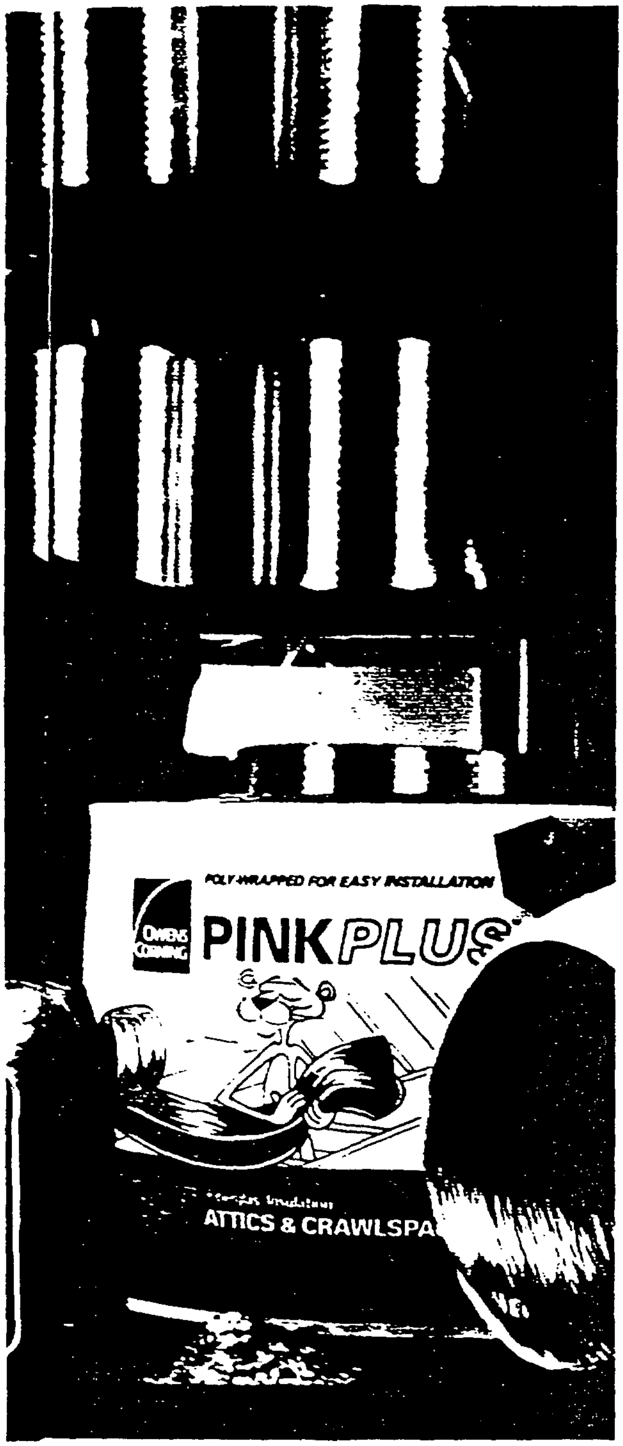
Owens-Corning strives for excellence through its commitment to three guiding principles: customer satisfaction, individual dignity, and shareholder value.

"We are taking advantage of our technological leadership to develop innovative products and processes to grow our business around the world."

Glen H. Hiner
Chairman and Chief Executive Officer

Table of Contents

To Our Shareholders



Two years ago I attended my first meeting of Owens-Corning leaders. What I remember most about that event is the silence. It seemed that no one dared talk, ask questions or venture ideas – no one wanted to rock the boat.

Our most recent strategy session took place a few months ago and I wish that every shareholder could have been there to experience the contrast. The excitement was pervasive. It was with genuine passion that our leaders talked about their various operations and their plans for the Company and their businesses.

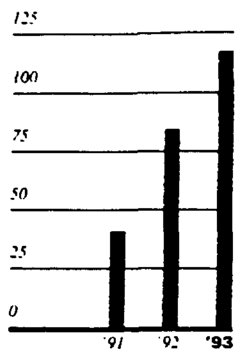
Better than any column of figures – any list of achievements – the energy on display at the meeting reflects the greatest single accomplishment of 1993, the establishment of a new level of confidence.

From a financial perspective, our performance was also strong. Owens-Corning's net income from ongoing operations, before special items, rose 42 percent to $118 million or $2.71 per share in 1993, compared to $83 million, or $1.93 per share in 1992. For the second consecutive year and the eighth consecutive quarter, we met our goal of reporting higher earnings than the same period the year before. This accomplishment reflects a 5 percent boost in productivity. Net sales for the year were $2.944 billion, up $66 million from 1992's $2.878 billion.

Confidence is nothing without candor, and I want to make it clear that 1993 was not perfect. The continuing recession in Europe slowed growth; we did not close an acquisition; and our lack of more vigorous sales growth was disappointing.

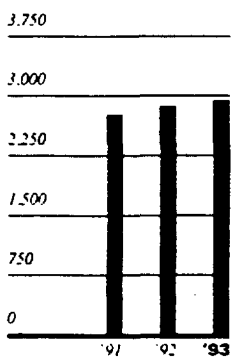
1993 was marked, however, by both higher earnings and a comprehensive strategic review. That review led to a landmark realignment of the Company and a sharpened business focus. We now have a clearly defined global growth strategy and agenda. We are firmly committed to developing new technologies and products, enhancing productivity, and expanding our global markets.

Net Income*
(In millions of dollars)

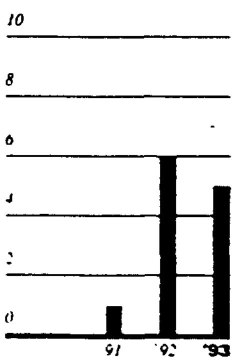


**Before special items*

Net Sales
(In millions of dollars)



Productivity Improvements
(Percent)



An Empowered Team

From two operating groups we have created ten strategic business segments. Each is headed by an empowered, entrepreneurial team that is directly accountable for its own performance. This change allowed us to eliminate a layer of executive management as well as seven vice president positions and paves the way for additional staff reductions in the future. It puts us in closer contact with our customers; fosters speed, simplicity and flexibility; facilitates decision making; and greatly increases opportunities for executive growth.

Our new structure also puts our senior leaders closer to the action and out into the field, where they are more closely aligned with our customers. Four of our operating presidents are based outside the United States – one in Hong Kong, one in Latin America and two in Europe, reflecting our increased commitment to global expansion.

A Sharper Focus

The other major benefit accruing from the year's comprehensive strategic review is a sharper business focus and clearer growth agenda. We now agree on business segments we want to aggressively grow; the established businesses that we want to expand; and the ones we must either fix, sell, or close. Actions already taken include the sale of our Brazilian rock wool insulation and U.S.-based calcium silicate businesses and the decision to get out of our underground tank business.

A particular source of pride is the creative solution we devised for dealing with our marginal commercial roofing business. It went to Schuller International in return for their residential roofing business – a mutually beneficial exchange that in a single stroke tripled Owens-Corning's manufacturing capacity in high-margin laminate shingles.

From the moment I came on board, I've been a strong advocate of our Science & Technology function, and in 1993 we brought it closer to fulfilling its potential. As with the Corporation itself, we eliminated a layer of management and restructured the organization to more closely serve each of our ten business segments. New products for the year included PINK*PLUS*™ insulation, a breakthrough design that is easy for a do-it-yourselfer to install; AURA™ insulation, another revolutionary development that delivers R-values of up to 94 for the refrigeration and specialty appliance market; and an innovative composite manufacturing process known as P-4 for the automotive market.

Progress was also achieved during the year on our guiding principles:

- Customer Satisfaction – Survey scores are up. Customers increasingly rate our service superior to that of our competitors. Also encouraging were the honors we received from customers, including the Malcolm Baldrige award-winning Milliken Company.

- Individual Dignity – While we are a long way from achieving the diversity in our workforce that our business desires, we can point with pride to the appointment of Dr. Ann Reynolds, Chancellor of the City University of New York, to the Board of Directors and Gale Tedhams to the new position of Diversity Director.

- Shareholder Value – As always, this is a primary objective, and in 1993 the value of our shares increased by more than 23 percent.

While 1993 was strong from the point of view of earnings, the strategic accomplishments of the year can hardly be overstated. Owens-Corning today is focused on the future and structured for global growth and expansion. The decisions we reached and the changes we made will be implemented in the current year, but their beneficial effects will not be fully appreciated until 1995.

This is not to say that 1994 will be anything less than successful. Housing starts in the United States are heading up, meaning good things for insulation and roofing sales. Price increases achieved at the start of the year and our productivity goal of 6% will contribute to continued profit improvement. We anticipate solid revenue and earnings growth in 1994. We also will increase the production capacity of our plant in Visé, Belgium by 50 percent; continue to pursue the acquisition of an insulation manufacturer in Europe; expand in China; and launch new pipe joint ventures in Germany and Egypt. Meanwhile, the reopening of our composites plant in Jackson, Tennessee, will establish a cutting-edge facility with fewer than 100 people turning out even more product than the plant's previous workforce of more than 500. More important is the innovative way in which it will be managed. With no department managers or supervisors, self-directed work teams will report directly to a plant leader.

Financial Highlights

(In millions of dollars, except per share data and where noted)	**1993**	1992	1991
Net Sales	**$ 2,944**	$ 2,878	$ 2,783
Income (loss) from operations	**236**	213	(628)
Provision (credit) for income taxes	**47**	33	(238)
Net Income (Loss)	**131**	73	(742)
As a percent of net sales	**4%**	3%	N/M
Per Share Information			
Income from ongoing operations (before special items)	**$ 2.71**	$ 1.93	$ 1.01
Net Income (Loss) per Share	**$ 3.00**	$ 1.70	$ (18.13)
Capital spending	**$ 164**	$ 130	$ 96
Total assets	**$ 3,013**	$ 3,162	$ 3,511
Total debt	**$ 1,004**	$ 1,099	$ 1,172
Average number of employees (in thousands)	**17**	17	17
Weighted shares outstanding (in thousands)	**43,593**	43,013	40,924

N/M = Not meaningful

We will take advantage of opportunities to implement similar structures in other Owens-Corning operations around the world. The effort to reduce costs and increase speed will continue.

Our long range goal remains unchanged: $5 billion in profitable sales by the year 2000.

Glen H. Hiner
Chairman and Chief Executive Officer
March, 1994

A World of Opportunity

● Manufacturing
▲ Science & Technology
★ Headquarters

With manufacturing facilities, technology centers, sales teams, and joint ventures around the world, Owens-Corning is well-positioned for global growth – from its established markets in the Americas and Europe to the emerging economies of Asia, the Middle-East, and Africa.

In January 1994, to take full advantage of the many growth opportunities developing around the world, Owens-Corning realigned its organization from two operating groups to ten strategic business segments. This change eliminated a layer of management, speeding and enhancing the decision-making process and bringing the Company closer to its customers.

Each of the new business segments is more autonomous, more entrepreneurial, and more accountable for its financial performance. In the pages that follow, you will learn more about these businesses, as well as their goals, strategies, and outlook.

Insulation–North America

The Insulation–North America business segment is focused on enhancing the Company's position as the market share leader by providing superior reliability, convenience, and quality. It is responsible for the manufacture and sale of building insulation to contractors and for Owens-Corning's mechanical, automotive, and appliance insulation products.

Insulation–North America is playing a key role in the commercialization of *AURA* – the Company's new superinsulation concept. Because of its extreme energy efficiency (up to R-94 in tests), *AURA* insulation will enable manufacturers to produce refrigerators, freezers, ovens, and other appliances with thinner walls, increasing interior storage space by as much as 25 percent while eliminating the need for chlorofluorocarbons (CFCs) in appliance insulation.

Roofing/Asphalt

The Roofing/Asphalt business segment's strategy is to further enhance the Company's position as the leading manufacturer of residential roofing products in the U.S. It is responsible for working with contractors, distributors, and manufacturers involved in the sale of residential roofing products or the application of industrial asphalt. The segment is also aggressively expanding its presence in Canada by leveraging the Owens-Corning brand.

With the acquisition of Schuller International's residential roofing business and addition of a new laminator at its plant in Brookville, Indiana, Owens-Corning has quadrupled its capacity in high-margin – and increasingly popular – laminate shingles.

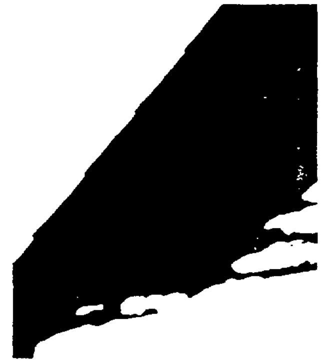
Windows

Responsible for expanding the Company's window and patio door business around the world, the Windows business segment's strategy is to build on Owens-Corning's high brand recognition and gain market share. In particular, the Company's strong relationships with contractors and home improvement retailers provide channels of distribution for accelerated consumer acceptance.

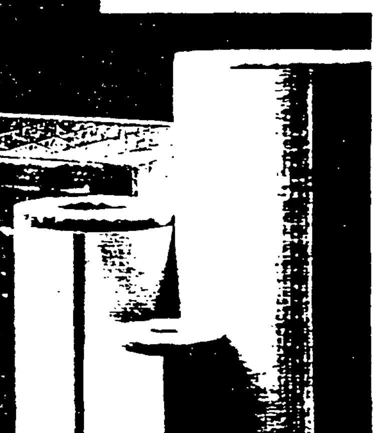
The segment's long-term goal is to achieve a significant share of the $17 billion global window and patio door market with products marketed under its own brand. It also seeks to increase demand for the Company's glass fiber insulation and composites by demonstrating their value in window and door applications.

Strategic Business Segments

As economic conditions improve in North America, our building products businesses are well-positioned to benefit from increased construction activity.



▲ Canada is a promising market for Owens-Corning's residential roofing shingles which are made to withstand harsh climates.



▲ ◀ In addition to serving the needs of professional contractors, the Insulation-North America segment is responsible for the manufacture and sale of mechanical, automotive, and appliance insulation.

Retail/Distribution

The Retail/Distribution business segment was formed in recognition of the growing influence of national "do-it-yourself" retail chains. It is responsible for working with customers who distribute Owens-Corning's building products or sell them through retail outlets. Its strategy is to increase market share by providing the best customer service and support in the industry.

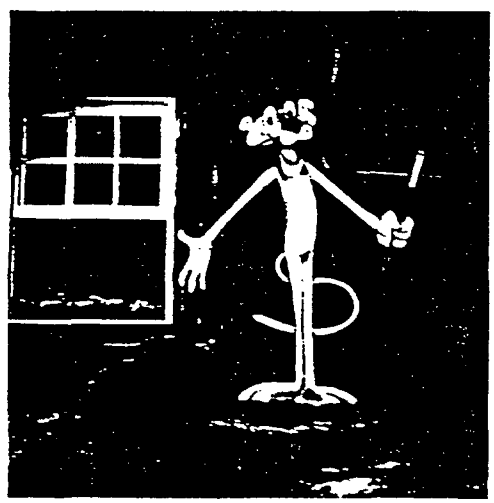
In 1993, to enhance its share of the do-it-yourself insulation market, Owens-Corning introduced PINK*PLUS* insulation – rolls of pink Fiberglas® insulation encased in a pink perforated polyethylene wrapper. Recommended for attics and crawl spaces, PINK*PLUS* insulation is easy to handle and eliminates the itch and irritation sometimes associated with the installation of insulation. Supported by an aggressive brand marketing campaign, PINK*PLUS* has been very well received by the retail market. The Company plans to unveil additional PINK*PLUS* insulation products in 1994.

Building Products–Europe

The Building Products–Europe business segment is responsible for the manufacture, marketing, and sale of the Company's building products in Europe. It is focused primarily on increasing its share of the insulation market in the region, where it is currently the preferred second-source supplier. The segment's long-term goal is to introduce Owens-Corning's other building products to the region.

To meet growing demand, the Company plans to open a second insulation line at its plant in Visé, Belgium, in early 1995 and is pursuing the acquisition of a regional insulation manufacturer. This commitment to growth reflects the Company's anticipation of an economic recovery in the region and increasing demand for energy-efficient housing.

To support its marketing efforts around the world, Owens-Corning has acquired the global rights to the Pink Panther. ▶

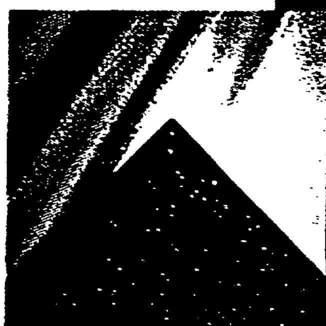


Our commitment to customer satisfaction and speed is demonstrated by *PINKPLUS*, which went from concept to commercialization in record time.

◀ The Retail/Distribution segment was formed in recognition of the growing influence of national retail chains that serve the "do-it-yourself" building products market.

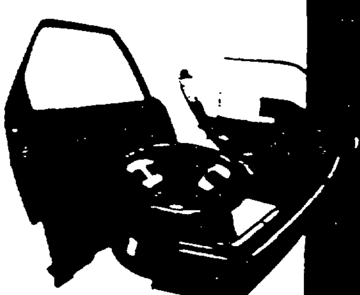
▲
The Company is expanding its insulation manufacturing capacity in Europe.

A "Center of Excellence" in Sandefjord, Norway, provides technological and manufacturing support for Owens-Corning's pipe joint ventures around the world. ▶



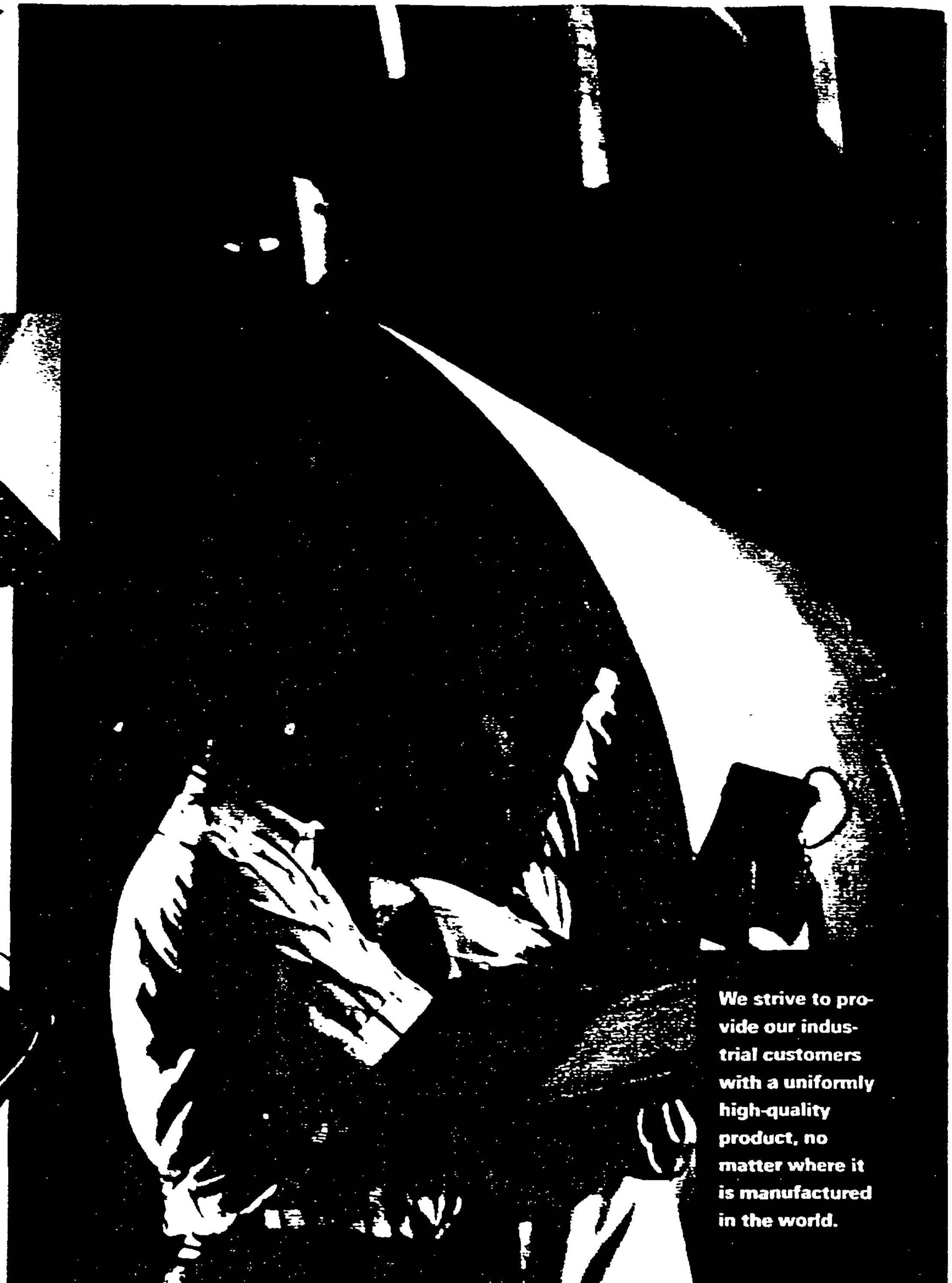
▲

The Company's composites include glass fiber yarns that are woven to create fabrics used in the manufacture of electronic circuit boards.



▲

Owens-Corning's composites are used in a wide variety of products, including fenders, doors, rims, and other automotive parts.



We strive to provide our industrial customers with a uniformly high-quality product, no matter where it is manufactured in the world.

Composites

The Composites business segment is responsible for the global manufacture, marketing and sale of the Company's glass fiber reinforcements, wet-chop strands/mats and veils, and textile yarns. Its strategy is to continue exploiting the Company's competitive strengths, focus its marketing approach, and strengthen its global sourcing network to build share in existing markets and support growth in other promising regions around the world.

To meet growing demand for composites, Owens-Corning is reactivating its plant in Jackson, Tennessee in spring 1994. The plant had been mothballed in 1987. Using technology and equipment developed by the Company's Engineering unit, Jackson will provide significant efficiencies and set a new standard of environmental stewardship. At start-up, fewer than 100 employees working in self-directed teams will manufacture the same amount of product as in 1986, when the plant had 500 employees.

▲
Slated to reopen in spring 1994, the Jackson, Tennessee composites plant will use robotics and other state-of-the-art technology to achieve significant efficiencies.

In Europe, the Company has embarked on a major realignment of its composites business. This plan includes focusing the number of products manufactured at each facility; closing the plant in Falkenberg, Sweden, in spring 1994; centralizing administrative support services; creating a central customer service center, and upgrading technology. These changes will enable the European composites operation to gain a cost advantage and enhance customer service.

Pipe

The Pipe business segment's strategy is to aggressively add joint-venture partners and to market the advantages of its product, driving additional demand for the Company's glass fiber reinforcements. It is responsible for building Owens-Corning's glass fiber reinforced plastic (FRP) pipe business around the world. Lightweight, corrosion-resistant, and easy to install, Owens-Corning's FRP pipe is designed for use in conveying fluids and waste in major infrastructure projects.

In 1993, Owens-Corning established a Center of Excellence in Sandefjord, Norway, to provide technical and manufacturing support for the Company's pipe joint ventures around the world. The Company currently has joint ventures in Botswana, Saudi Arabia, and Thailand and will open its joint venture in Germany in 1994. It expects to finalize plans for joint ventures in China and Egypt in 1994.

Asia/Pacific

The Asia/Pacific business segment is responsible for developing growth opportunities in that rapidly emerging region, and expanding the Company's reach beyond its current base in Japan, Korea, and Thailand.

In addition to a long-standing joint venture relationship with Asahi Glass of Japan, Owens-Corning has a joint venture with The Siam Cement Company in Thailand. The Siam joint venture, which currently manufactures pipe, will expand in early 1995 with the opening of a new insulation plant.

In 1993, the Company began operations at a new reinforcements plant in Kimchon, Korea. Built in partnership with Lucky Ltd. of the Lucky-Goldstar Group, the plant represents the collaborative effort of scientists and engineers from around the world.

China offers many opportunities for growth, including major infrastructure projects that will require miles of large diameter pipe. Owens-Corning is working with regional partners in China to create joint ventures to manufacture FRP pipe.

An emphasis on energy conservation in China, and a boom in residential and commercial construction add future promise for insulation products.

Latin America

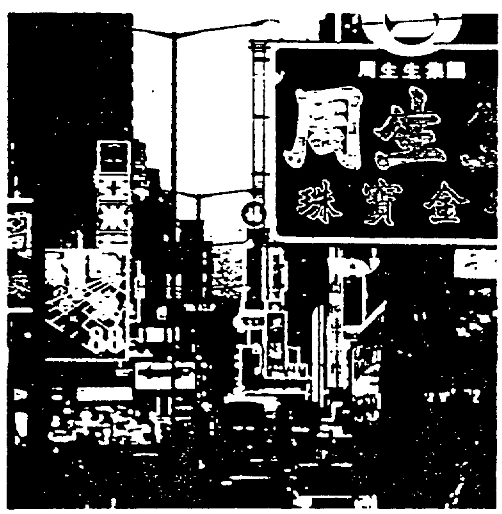
The Latin America business segment is responsible for operations and development of new growth opportunities by accelerating the acceptance and use of the Company's products in that region. Its strategy includes expanding exports to the region and establishing an applications development center to build the market for composites, insulation, and pipe. The Company is implementing market development and sales initiatives in Argentina, Chile, and Venezuela.

With the passage of the North American Free Trade Agreement in 1993, and the breaking down of trade barriers throughout Latin America, there are excellent opportunities to increase sales and extend the Owens-Corning brand.

Venture Businesses

Responsible for bringing newly-developed products to commercialization, the Venture Businesses segment is an integral part of the Company's commitment to technological excellence, and its strategy of profitable, global growth.

With its burgeoning economy and construction boom, China represents a tremendous growth opportunity for Owens-Corning. ▶

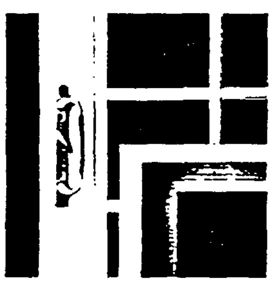
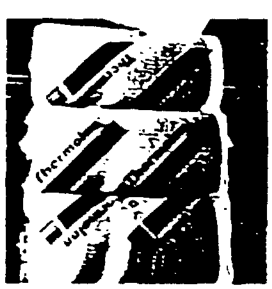


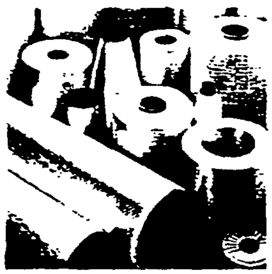
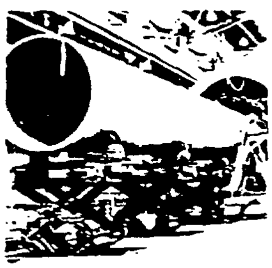
◀ The Latin America business segment oversees Owens-Corning's existing operations in the region, including a composites plant in Rio Claro, Brazil. The segment is concentrating on market development in Argentina, Chile, and Venezuela.

▲ The opening of a new reinforcements plant in Kimchon, Korea, in August 1993 marked the culmination of a collaborative effort by scientists and engineers from around the world. The plant was built in partnership with Lucky Ltd. of the Lucky-Goldstar Group.

Recognizing the enormous potential demand for our industrial materials and building products, we are targeting the Asia/Pacific region, Latin America, and other promising emerging markets.

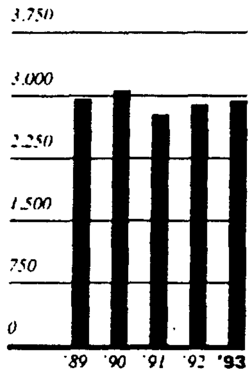
Business Segments Overview

SEGMENTS		PRODUCTS	MARKETS	STRATEGY
Insulation-North America		■ Pink *Fiberglas* insulation used in new residential and commercial construction and remodeling projects. ■ Mechanical insulation for pipes and air handling systems. ■ Specialty insulation for autos and appliances (including refrigerators, ovens, ranges, water heaters, and air conditioners).	■ Professional contractors involved in residential and commercial construction and renovation. ■ Mobile home manufacturers. ■ Automotive and appliance industries.	■ Provide superior quality at low cost. ■ Offer best customer service in industry. ■ Increase average "take-per-unit" by promoting energy conservation. ■ Introduce innovative products such as *AURA* insulation.
Roofing/Asphalt		■ Residential roofing shingles used in new construction and roof replacement. ■ Industrial asphalt used in commercial built-up roofing systems, the manufacture of shingles and roofing felts, and specialty applications such as water-proofing systems and industrial coatings.	■ Shingles: residential construction and roof replacement. ■ Asphalt: shingle manufacturing and commercial construction, as well as automotive, chemical, and rubber industries.	■ Provide superior quality at low cost. ■ Offer best customer service in industry. ■ Leverage capacity in high-margin laminate shingles. ■ Aggressively expand market share in Canada. ■ Expand global market share of industrial asphalt.
Windows		■ Windows and patio doors for use in residential and light commercial applications. Products currently feature lineals made with Owens-Corning's patented Fibron® technology, which encases a core of Pink insulation in glass fiber reinforced plastic.	■ New residential and commercial construction. ■ Window/door replacement.	■ Build on high brand recognition. ■ Exploit Company's sales and marketing strengths. ■ Expand to full-line of product offerings. ■ Stimulate market development and incorporation of composite materials systems.
Retail/Distribution		■ Residential building insulation. ■ Residential roofing products. ■ Windows and patio doors.	■ Building products distributors, lumber yards, and retail stores serving the "do-it-yourself" market.	■ Provide superior quality at low cost. ■ Offer best customer service in industry. ■ Increase average "take-per-unit" by promoting energy conservation. ■ Increase share of "do-it-yourself" market with continued roll-out of PINK*PLUS* insulation.
Building Products-Europe		■ Residential building insulation.	■ Insulation wholesalers, modular home manufacturers, distributors, and retailers.	■ Expand capacity at plant in Visé, Belgium. ■ Acquire regional insulation manufacturer. ■ Increase brand awareness, maximizing use of global rights to Pink Panther. ■ Expand product offerings.

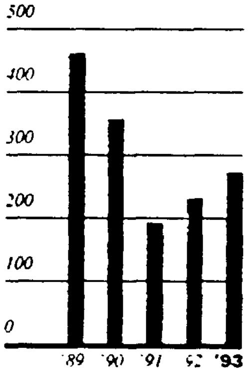
SEGMENTS		PRODUCTS	MARKETS	STRATEGY
Composites		■ Rovings, chopped strands, and dry-process mats used primarily in molded composite parts. ■ Wet-chop strands/mats and veils used primarily in shingles and floor coverings. ■ Yarns used in a variety of applications, including electronic circuit boards, aircraft components, automotive parts, filter bags, packaging materials, and fiber optic and auto ignition cables.	■ Auto, truck, aerospace, electrical, electronic equipment, corrosion, pleasure boat, construction, chemical, packaging, fiber optics, and textile industries.	■ Exploit competitive strengths. ■ Strengthen global sourcing network. ■ Gain cost advantage in European operations. ■ Expand capacity by reopening Jackson, Tennessee, plant.
Pipe		■ Corrosion-resistant, glass fiber reinforced plastic (FRP) pipe for use in underground pressure and gravity fluid handling systems.	■ Industrial and commercial water, chemical, and sewage transport projects. ■ Municipal and governmental infrastructure projects.	■ Aggressively add joint-venture partners around the world. ■ Market advantages of FRP pipe over traditional materials. ■ Take advantage of Center of Excellence in Sandefjord, Norway, for technology and manufacturing support.
Asia/Pacific		■ Composites, insulation, and pipe.	■ Construction, automotive, electronic equipment, and other manufacturing industries.	■ Work with existing joint-venture partners in Japan, Korea, and Thailand to increase market share. ■ Open new insulation plant in Thailand in 1995. ■ Explore and exploit opportunities for growth in emerging markets, particularly infrastructure and housing projects in China.
Latin America		■ Composites, insulation, and pipe.	■ Construction, automotive, electronic equipment, and other manufacturing industries.	■ Oversee existing operations in the region. ■ Expand product imports. ■ Establish applications development center to build composites market. ■ Implement market development and sales initiatives in Argentina, Chile, and Venezuela. ■ Explore and exploit other opportunities for growth.
Venture Businesses		■ Newly developed products and processes.	■ Owens-Corning's existing and targeted markets.	■ Bring newly developed products and processes to commercialization. ■ Reduce cycle time of product introduction. ■ Expand the Company's global leadership in market share and technological innovation.

Management's Discussion and Analysis

Net Sales
(In millions of dollars)



Income From Operations*
(In millions of dollars)



*Before special items

Results of Operations

Owens-Corning reported net income for the year of $131 million, or $3.00 per share, compared to reported net income of $73 million, or $1.70 per share, and a net loss of $742 million, or $18.13 per share, in 1992 and 1991, respectively. The stronger earnings reflect the Company's ongoing productivity programs and improving economic conditions in the United States. Excluding special items, 1993 net income from ongoing operations was $118 million, or $2.71 per share, compared to $83 million, or $1.93 per share, in 1992, and $41 million, or $1.01 per share, in 1991.

The special items for 1993 included a) a credit of $26 million, or $.60 per share, for the cumulative effect of adopting the new accounting standard for income taxes (SFAS No. 109), b) a one-time gain of $14 million, or $.33 per share, reflecting a tax benefit resulting from a re-evaluation of deferred taxes necessitated by the new federal tax law, offset, in part, by c) an $8 million charge, or $.11 per share, for the writedown of the Company's hydrocarbon ventures to their net realizable value, and d) a $23 million, or $.53 per share, charge for a restructuring to improve the competitive position of the Company's European Composites business.

The special items for 1992 included a) a charge of $16 million, or $.25 per share, for costs related to the reorganization of the Building Products businesses and centralization of the Company's accounting and information systems, and b) a net extraordinary gain of $1 million, or $.02 per share, resulting from the utilization of tax losses, partially offset by a loss on the early retirement of debt. The reorganization in Building Products was designed to strengthen its focus on customers, enhance its competitive position, and further improve its efficiency. Please see Notes 2, 4 and 5 to the Consolidated Financial Statements.

The 1991 special items included charges for uninsured asbestos litigation claims and the adoption of the accounting standard for other postretirement benefits (SFAS No. 106). Please see Notes 15 and 19 to the Consolidated Financial Statements.

Net sales were $2.9 billion in 1993, an increase of $66 million, or 2 percent, from 1992. Excluding the currency exchange impact of a stronger dollar, 1993 sales increased 4 percent. Sales in 1991 were $2.8 billion.

Owens-Corning's Building Products segment benefitted from an improving economy in North America during 1993. Insulation sales were particularly strong, increasing nearly ten percent from 1992 as a result of an increase in housing starts and growth in the "do-it-yourself" market. In response to demand in Europe, the Company has announced an expansion of its insulation facility in Visé, Belgium, which is expected to be operational by early 1995. Roofing and asphalt sales in 1993 were flat compared to 1992 when there was strong reroofing activity and demand created by storm damage in Texas, Louisiana, and Florida. In January 1994, the Company exchanged its commercial roofing business for Schuller International's residential roofing business. This transaction tripled the Company's capacity to produce high-style laminated shingles.

In the second half of 1993, the Company launched a nation-wide roll-out of PINK*PLUS*, a new Pink *Fiberglas* insulation product wrapped in pink polyethylene. This product is expected to help build the Company's share of the do-it-yourself home insulation market because of its ease of handling and installation characteristics.

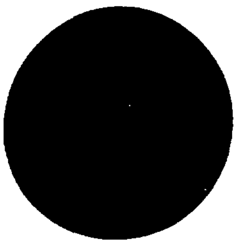
In September 1993, the Company introduced *AURA*, a high R-value vacuum panel insulation concept. Several global appliance manufacturers are evaluating this new product to increase the useable space and reduce energy consumption in refrigerators, ovens, and other appliances.

In 1993, the Company divested its rockwool insulation plant in Guararema, Brazil, and closed its calcium silicate insulation facility in Berlin, New Jersey. These businesses did not use core technologies and did not fit the Company's long-term strategy for profitable growth.

In the Composites business, demand for reinforcements during 1993 was strong and exceeded capacity in the Company's North American facilities. The Company is preparing to meet that demand with the reactivation of its Jackson, Tennessee plant, scheduled for April 1994, as well as by continuing to import

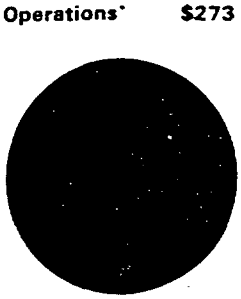
Segment Data
(in millions of dollars)

Net Sales **$2,944**



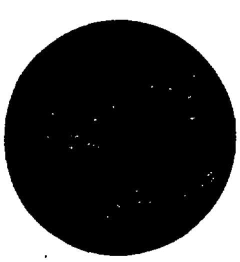
■ *Building Products* **$1,946**
■ *Industrial Materials* **$998**

Income from Operations* **$273**



■ *Building Products* **$175**
■ *Industrial Materials* **$98**

Assets **$1,512**



■ *Building Products* **$797**
■ *Industrial Materials* **$715**

*Segment data [illegible] intersegment [illegible]

products from other worldwide operations during scale-up. The Jackson plant, which was mothballed in 1987, will reopen employing fewer than 100 individuals in a state-of-the-art facility with advanced environmental systems to minimize solid waste and other air and water emissions. The plant will be capable of manufacturing the same amount of product as in 1986, when it had approximately 500 employees, and is expected to be in full production by 1995.

Economic conditions remained weak in Europe during 1993. The Company does not expect significant improvement in the European industrial economy in 1994. As a result of the European restructuring, which is expected to reduce costs and increase productivity beginning in 1994, Owens-Corning expects to be well positioned to benefit when the economic upturn does begin.

As part of its growth strategy, Owens-Corning established an Asia/Pacific unit, headquartered in Hong Kong, with corporate-wide responsibility for current operations and future developments in that market. The Company also completed the acquisition of the assets of Vera A/S, a manufacturer of glass-reinforced plastic pipe in Sandefjord, Norway.

The Company's gross margin percentage of net sales was 22% for 1993, compared to 21% in both 1992 and 1991. The increase was primarily due to volume and price increases in the insulation market and productivity improvements, partially offset by the effects of currency exchange and the cost of importing products into the United States from the Company's worldwide operations. Earnings before interest and taxes (EBIT) from ongoing operations increased to $267 million in 1993, from $229 million in 1992 and $196 million in 1991. As a percentage of sales, EBIT from ongoing operations increased to 9.1% in 1993, compared to 8.0% and 7.0% in 1992 and 1991, respectively.

Operating expenses were higher in 1993 due to the charge for the European restructuring and the write-down of the Company's hydrocarbon ventures to net realizable value. The Company continued to increase its research and development spending for long-term projects, placing a greater emphasis on developing new products and product applications. The decrease in "Other" expenses in 1992 compared to 1991 reflects reduced charges for stock appreciation rights, foreign exchange losses, and product liability expenses related to the Company's non-asbestos products.

The Company continues to evaluate actions to manage rising health care expenses. During 1993, the Company approved changes in its postretirement health care plans for retirees and active employees which reduced ongoing expenses by $18 million for 1993. Approximately three-quarters of the reduction was reflected in cost of sales and the balance in operating expenses. Please see Note 15 to the Consolidated Financial Statements.

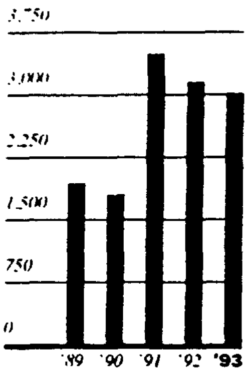
In 1993, the Company changed its depreciable asset lives for certain assets to be consistent with industry practice and actual experience. This change reduced depreciation expense in 1993 and will result in lower ongoing depreciation expense. Please see Note 6 to the Consolidated Financial Statements.

Cost of borrowed funds declined by $21 million in 1993 compared to 1992. The decrease was due to a $95 million reduction in debt since December 31, 1992, and lower interest rates on the Company's debt. The reduction in debt was funded by the Company's cash flow from operations. Please see Note 2 to the Consolidated Financial Statements.

General corporate expenses, reported on a segment basis, increased slightly in 1993 compared to 1992, but were $817 million lower in 1992 compared to 1991, reflecting the charge of $824 million for uninsured asbestos personal injury claims. Please see Notes 1 and 19 to the Consolidated Financial Statements.

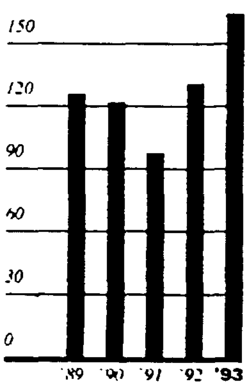
Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109). The standard changes the criteria for measuring the provision for income taxes and recognizing deferred tax assets and liabilities. As noted above, the cumulative effect of adopting SFAS No. 109 increased earnings by $26 million (or $.60 per share). As discussed in

Total Assets*
(In millions of dollars)



*1993, 1992 and 1991 include an asbestos insurance asset.

Capital Spending
(In millions of dollars)



Note 4 to the Consolidated Financial Statements, the Company's net deferred tax assets arise primarily as a result of the temporary differences associated with its provisions for asbestos litigation claims and other postretirement benefits. Management fully expects to realize its net deferred tax assets through income from future operations.

Liquidity, Capital Resources and Other Related Matters

Cash flow from operations was $253 million for 1993, compared to $192 million for 1992 and $253 million for 1991. The increase in cash flow from operations, compared to 1992, was primarily due to an increase in trade payables. Receivables were $324 million at December 31, 1993, compared to $309 million at the end of 1992 and $308 million at the end of 1991. Net inventories were $221 million at year-end 1993 compared to $233 million and $219 million at year-end 1992 and 1991, respectively. Inventories at December 31, 1993, as a percentage of the fourth quarter's annualized sales, were 7%, a one percentage point decrease from the end of 1992 and 1991.

During 1993, the Company adopted Financial Accounting Standards Board Interpretation No.39 (FIN 39). FIN 39 requires the Company to present separately in the balance sheet its estimated contingent liabilities and related insurance assets. Accordingly, the accompanying consolidated balance sheet as of December 31, 1992 and consolidated statement of cash flows for the years ended December 31, 1992 and 1991 have been restated to conform to the 1993 presentation. Please see Note 19 to the Consolidated Financial Statements and the Summary of Significant Accounting Policies.

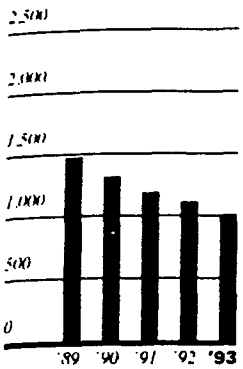
At year-end 1993, the Company's working capital was a negative $49 million and its current ratio decreased to .94, compared to working capital of $123 million and a current ratio of 1.2 at year-end 1992, and $171 million and 1.2, respectively, at year-end 1991. The 1992 and 1991 working capital and current ratios have been restated to conform to FIN 39. The decrease in 1993 was primarily due to the increase in trade payables and the timing of receipt of the insurance proceeds for asbestos litigation claims. Please see Note 19 to the Consolidated Financial Statements and the Summary of Significant Accounting Policies.

The Company's total borrowings at December 31, 1993, were $1.0 billion, compared to $1.1 billion at December 31, 1992, and $1.2 billion at December 31, 1991. At year-end 1993, the Company had unused lines of credit of $376 million under its long-term bank loan facilities and an additional $115 million under short-term facilities. In the fourth quarter of 1993, the Company established a $375 million credit facility with a syndicate of banks, replacing the previous facility due to expire in July 1994. This syndicate of banks significantly expands both the number and geographic distribution of lenders to include commercial banks headquartered in the U.S., Europe, Canada, and Japan. This new combination will complement the Company's global growth strategy. The facility agreement is for a four year term, effective November 2, 1993, and will lower the Company's cost of bank financing as well as generate greater flexibility for investment purposes. In 1992, the Company issued $300 million in 10 and 20 year debentures at an average interest rate of 9 1/8%. The majority of the proceeds were used to redeem $240 million in higher cost debentures. Please see Note 2 to the Consolidated Financial Statements.

General corporate identifiable assets have been restated in 1992 and 1991 to conform to the 1993 reporting format with the adoption of FIN 39. General corporate identifiable assets for 1993 and 1992 decreased compared to 1991, primarily due to the consumption of the insurance for asbestos litigation claims asset. Please see Notes 1 and 19 to the Consolidated Financial Statements and the Summary of Significant Accounting Policies.

Capital spending for property, plant and equipment was $164 million in 1993, compared to $130 million in 1992 and $96 million in 1991. At the end of 1993, approved capital projects, excluding furnace rebuilds, were $162 million. Funding for these expenditures will be from the Company's operations and external sources as required.

Total Debt
(In millions of dollars)



Payments for asbestos litigation claims in 1993, including defense costs, were $283 million as 22,300 claims were resolved. Proceeds from insurance were $224 million.

The Company's total payments for asbestos claims and defense costs in 1994 are expected to be approximately $275 million and proceeds from insurance of about $125 million are expected to be available to cover these costs.

Please see Note 19 to the Consolidated Financial Statements.

The Company expects funds generated from operations, together with funds available under long and short term bank loan facilities, to be sufficient to satisfy its debt service obligations under its existing indebtedness as well as its contingent liabilities for uninsured asbestos personal injury claims.

The Company has been deemed by the Environmental Protection Agency (EPA) to be a potentially responsible party (PRP) with respect to certain sites under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund). The Company has also been deemed a PRP under similar state or local laws. In other instances, other PRPs have brought suits or claims against the Company as a PRP for contribution under such federal, state, or local laws. During 1993, the Company was designated as a PRP in such federal, state, local or private proceedings for 14 additional sites. At year-end 1993, a total of 43 such PRP designations remained unresolved by the Company, some of which designations the Company believes to be erroneous. The Company has established reserves for its Superfund (and similar state, local and private action) contingent liabilities which are reflected in the financial statements. The Company believes these reserves are adequate to cover these liabilities and are not material to the financial position or results of operations of the Company. In addition, based upon information presently available to the Company, and without regard to the application of insurance, the Company believes that, considered in the aggregate, the additional costs associated with such contingent liabilities, including any related litigation costs, will not have a materially adverse effect on the Company's results of operations, financial condition, or long-term liquidity.

The 1990 Clean Air Act Amendments (Act) provide that the EPA will issue regulations on a number of air pollutants over a period of years. Until these regulations are developed, the Company cannot determine the extent the Act will affect it. The Company anticipates that its sources to be regulated will include glass fiber manufacturing, resin manufacturing and asphalt processing activities. The Company currently expects glass fiber manufacturing to be regulated by 1997. Based on information now known to the Company, including the nature and limited number of regulated materials it emits, the Company does not expect the Act to have a material adverse effect on the Company's results of operations, financial condition, or long-term liquidity.

Future Required Accounting Changes

The Company has estimated that the foreign portion of Financial Accounting Standard No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," will be a charge of $12-20 million. Adoption of the foreign portion is required for 1995 financial reporting.

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS No. 112). This standard requires employers to recognize the obligation to provide benefits to former or inactive employees after employment but before retirement under certain conditions. The obligation should be recognized if it is attributable to employees' service already rendered, the rights to these benefits accumulate or vest, payment of the benefits is probable and the amount can be reasonably estimated. SFAS No. 112 is effective for the Company beginning in 1994. The impact of SFAS No. 112 on the Company in the year of adoption is estimated to be a charge of less than $50 million.

Eight-Year Summary of Operations

(In millions of dollars, except share data and where noted)

	1993	1992	1991	1990	1989(1)	1988	1987	1986
Net Sales	**$2,944**	$ 2,878	$ 2,783	$ 3,069	$ 2,964	$ 2,798	$ 2,857	$ 3,609
Cost of Sales	**2,293**	2,261	2,186	2,304	2,161	1,999	2,129	2,756
Marketing, Administrative and Other Expenses	**346**	339	1,171	414	323	278	258	619
Science and Technology Expenses	**69**	65	54	58	48	44	43	90
Income (Loss) from Operations (a,c,d,i)	**236**	213	(628)	293	432	477	427	144
Cost of Borrowed Funds	**89**	110	131	165	166	170	221	94
Income (Loss) before Provision for Income Taxes (a,c,d,f,i)	**147**	103	(759)	128	266	301	343	36
Provision (Credit) for Income Taxes	**47**	33	(238)	58	103	127	136	30
Net Income (Loss) (a,b,c,d,e,f,g,i)	**131**	73	(742)	73	172	189	200	16
Net Income (Loss) per Share (a,b,c,d,e,f,g,i)	**3.00**	1.70	(18.13)	1.73	4.08	4.51	4.81	0.49
Weighted Average Number of Shares Outstanding (in thousands)	**43,593**	43,013	40,924	42,019	42,170	41,856	41,583	31,776
Net Cash Flow from Operations	**253**	192	253	361	395	360	290	416
Capital Spending	**164**	130	96	121	125	127	97	145
Total Assets (j)	**3,013**	3,162	3,511	1,807	1,924	1,596	1,590	2,187
Total Debt	**1,004**	1,099	1,172	1,300	1,482	1,444	1,635	2,469
Average Number of Employees (in thousands) (h)	**17**	17	17	18	20	20	21	30

(1) 1989 data consolidates results of Owens-Corning Canada beginning in the fourth quarter of 1989.

(a) During 1991 a non-recurring $800 million charge for unasserted asbestos litigation claims was recorded.

(b) 1991 results include a $227 million after-tax charge, or $5.55 per share, for the cumulative effect of the accounting change for other postretirement benefits.

(c) During 1990 a restructuring charge of $65 million was recorded.

(d) During 1989 an additional $50 million was added to existing asbestos-related claims reserves, a $50 million credit was recorded resulting from a settlement reached with the IRS and a restructuring charge of $30 million was recorded.

(e) During 1988 an $8 million extraordinary loss resulted from the early retirement of debt.

(f) During 1987 a gain of $141 million resulted from the sale of the Aerospace and Strategic Materials Group.

(g) During 1987 a $20 million extraordinary loss resulted from the early retirement of debt.

(h) Includes employees of Owens-Corning Canada.

(i) During 1986 a restructuring charge of $200 million was recorded.

(j) 1992 and 1991 assets have been restated to reflect the 1993 adoption of FIN 39.

Price Range of Common Stock

	1993		1992		1991	
	High	Low	High	Low	High	Low
First Quarter	**47**	**34⅝**	39¼	22⅜	26½	15
Second Quarter	**45¼**	**36¼**	37⅛	29¾	28⅞	23¼
Third Quarter	**45⅝**	**40¼**	36⅛	29⅝	35¼	25¼
Fourth Quarter	**49⅛**	**42½**	36⅝	27¼	35½	16⅞

To the Stockholders of Owens-Corning Fiberglas Corporation:

Report of Independent Public Accountants

We have audited the accompanying consolidated balance sheet of OWENS-CORNING FIBERGLAS CORPORATION (a Delaware corporation) and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Owens-Corning Fiberglas Corporation and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Notes 4 and 15 to the consolidated financial statements, the Company changed its methods of accounting for income taxes and postretirement benefits other than pensions effective January 1, 1993 and 1991, respectively.

Arthur Andersen + Co.

January 21, 1994
Toledo, Ohio

Management's Report

The financial statements of Owens-Corning Fiberglas Corporation and subsidiaries have been prepared by management in conformity with generally accepted accounting principles. Management uses its best informed judgments to ensure that these statements fairly reflect the Company's financial position. Financial information contained elsewhere in this annual report is consistent with the financial statements.

The Company maintains a system of internal accounting controls designed to provide reasonable assurances that assets are protected from improper use and that transactions are properly authorized and recorded.

The Board of Directors pursues its responsibility for overview of the Company's financial statements through its Audit Committee, which is comprised of directors who are not officers or employees of the Company. The Audit Committee meets periodically with management, the Company's internal auditors, and the independent public accountants to review and assess the activities of each in meeting their respective responsibilities. The independent public accountants and the director of internal auditing have full and free access to the Audit Committee to discuss the scope and results of their audit work, the adequacy of internal accounting controls, and the quality of management's financial reporting.

Glen H. Hiner
Chairman and Chief Executive Officer

David W. Devonshire
Senior Vice President and
Chief Financial Officer

Domenico Cecere
Vice President and Controller

Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of subsidiaries. Significant intercompany accounts and transactions are eliminated.

Net Income per Share
Net income per share is computed using the weighted average number of common shares outstanding and common equivalent shares during the period.

Inventory Valuation
Inventories are stated at cost, which is less than market value, and include material, labor, and manufacturing overhead. U.S. inventories are primarily valued using the last-in, first-out (LIFO) method and the balance of inventories are generally valued using the first-in, first-out (FIFO) method.

Goodwill
Goodwill is amortized on a straight-line basis over a period of forty years. The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of goodwill may warrant revision or that the remaining balance of goodwill may not be recoverable. When factors indicate that goodwill should be evaluated for possible impairment, the Company uses an estimate of the related business segment's undiscounted net income over the remaining life of the goodwill in measuring whether the goodwill is recoverable.

Investments in Affiliates
Investments in affiliates are accounted for using the equity method, under which the Company's share of earnings of these affiliates is reflected in income as earned and dividends are credited against the investment in affiliates when received.

Depreciation
For assets placed in service prior to January 1, 1992, the Company's plant and equipment is depreciated primarily using the double-declining balance method for the first half of an asset's estimated useful life and the straight-line method is used thereafter. For assets placed in service after December 31, 1991, the Company's plant and equipment is depreciated using the straight-line method.

Reserve for Rebuilding Furnaces
The Company's glass melting furnaces and related machines periodically require substantial rebuilding. The estimated future cost of such rebuilding is charged to operations and credited to the reserve on a straight-line basis over the estimated period to the next rebuild date. Actual costs are charged to the reserve when the furnaces are rebuilt.

Income Taxes
Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Reserve for Contingent Liabilities
As described in Note 19, in 1993, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 39 (FIN 39). FIN 39 requires the Company to present separately in the balance sheet its estimated contingent liabilities and related insurance assets. Accordingly, the accompanying consolidated balance sheet as of December 31, 1992 and consolidated statement of cash flows for the years ended December 31, 1992 and 1991 have been restated to conform to the 1993 presentation.

Reclassifications
Certain reclassifications have been made to 1992 and 1991 to conform with the classifications used in 1993, including the reclassification of restructure costs from other expenses.

Consolidated Statement of Income

For the years ended December 31, 1993, 1992 and 1991 (In millions of dollars, except share data)

	1993	1992	1991
Net Sales	**$2,944**	$ 2,878	$ 2,783
Cost of Sales	**2,293**	2,261	2,186
Gross margin	**651**	617	597
Operating Expenses			
Marketing and administrative expenses	**297**	307	285
Science and technology expenses (Note 7)	**69**	65	54
Provision for uninsured asbestos litigation claims (Note 19)	**—**	—	824
Restructure costs (Note 5)	**23**	16	—
Write-down of hydrocarbon ventures	**8**	—	—
Other	**18**	16	62
Total operating expenses	**415**	404	1,225
Income (Loss) from Operations	**236**	213	(628)
Cost of borrowed funds (Notes 2 and 3)	**(89)**	(110)	(131)
Income (Loss) before Provision for Income Taxes	**147**	103	(759)
Provision (credit) for income taxes (Note 4)	**47**	33	(238)
Income (Loss) before Equity in Net Income of Affiliates	**100**	70	(521)
Equity in net income of affiliates (Note 9)	**5**	2	6
Income (Loss) before Extraordinary Items and Cumulative Effect of Accounting Changes	**105**	72	(515)
Extraordinary items (Notes 2 and 4)	**—**	1	—
Cumulative effect of accounting changes (Notes 4 and 15)	**26**	—	(227)
Net Income (Loss)	**$ 131**	$ 73	$ (742)
Net Income (Loss) per Common Share			
Primary:			
Income (loss) before extraordinary items and cumulative effect of accounting changes	**$ 2.40**	$ 1.68	$ (12.58)
Extraordinary items	**—**	.02	—
Cumulative effect of accounting changes	**.60**	—	(5.55)
Net Income (Loss) per Share	**$ 3.00**	$ 1.70	$ (18.13)
Assuming Full Dilution:			
Income (loss) before extraordinary items and cumulative effect of accounting changes	**$ 2.28**	$ 1.65	$ (12.58)
Extraordinary items	**—**	.02	—
Cumulative effect of accounting changes	**.53**	—	(5.55)
Net Income (Loss) per Share	**$ 2.81**	$ 1.67	$ (18.13)
Weighted average number of common shares outstanding and common equivalent shares during the period (in millions)			
Primary:	**43.6**	43.0	40.9
Assuming full dilution:	**49.4**	48.8	40.9

The accompanying summary of significant accounting policies and notes are integral parts of this statement.

Consolidated Balance Sheet

December 31, 1993 and 1992 (In millions of dollars)

Assets	**1993**	1992
Current		
Cash and cash equivalents	**$ 3**	$ 2
Receivables, less allowances of $16 million in 1993 and $20 million in 1992	**324**	309
Inventories (Note 8)	**221**	233
Deferred income taxes (Note 4)	**136**	98
Insurance for asbestos litigation claims – current portion (Note 19)	**125**	246
Other current assets	**18**	15
Total current	**827**	903
Other		
Goodwill, less accumulated amortization of $15 million in 1993 and $12 million in 1992	**77**	84
Investments in affiliates (Note 9)	**63**	49
Deferred income taxes (Note 4)	**428**	465
Insurance for asbestos litigation claims (Note 19)	**643**	746
Other noncurrent assets	**81**	69
Total other	**1,292**	1,413
Plant and Equipment, at Cost		
Land	**44**	46
Buildings and leasehold improvements	**559**	549
Machinery and equipment	**1,978**	1,886
Construction in progress	**88**	79
	2,669	2,560
Less: Accumulated depreciation	**(1,775)**	(1,714)
Net plant and equipment	**894**	846
Total Assets	**$3,013**	$ 3,162

The accompanying summary of significant accounting policies and notes are integral parts of this statement.

Consolidated Balance Sheet

December 31, 1993 and 1992 (In millions of dollars)

Liabilities and Stockholders' Equity	1993	1992
Current		
Accounts payable and accrued liabilities (Note 10)	**$ 495**	$ 388
Reserve for asbestos litigation claims – current portion (Note 19)	**275**	297
Short-term debt (Note 3)	**77**	56
Long-term debt – current portion (Note 2)	**29**	25
Accrued income taxes (Note 4)	**—**	14
Total current	**876**	780
Long-Term Debt (Note 2)	**898**	1.018
Other		
Reserve for asbestos litigation claims (Note 19)	**1,385**	1.646
Other postretirement benefits liability (Note 15)	**346**	358
Reserve for rebuilding furnaces	**124**	124
Pension plan liability (Note 16)	**78**	62
Other	**175**	182
Total other	**2,108**	2.372
Commitments and Contingencies (Notes 12, 17, and 19)		
Stockholders' Equity		
Preferred stock, no par value; authorized 8 million shares, none outstanding (Note 14)		
Common stock, par value $.10 per share; authorized 100 million shares; issued 1993 – 43.2 million and 1992 – 42.5 million shares (Note 13)	**315**	299
Deficit	**(1,171)**	(1.302)
Foreign currency translation adjustments	**5**	4
Other (Note 16)	**(18)**	(9)
Total stockholders' equity	**(869)**	(1.008)
Total Liabilities and Stockholders' Equity	**$3,013**	$ 3.162

Consolidated Statement of Stockholders' Equity

For the years ended December 31, 1993, 1992 and 1991 (In millions of dollars)

	1993	1992	1991
Common Stock			
Balance beginning of year	**$ 299**	$ 285	$ 268
Issuance of stock and deferred awards under stock compensation plans (Note 13)	**16**	14	17
Balance end of year	**315**	299	285
Deficit			
Balance beginning of year	**(1,302)**	(1.375)	(633)
Net income (loss)	**131**	73	(742)
Balance end of year	**(1,171)**	(1.302)	(1.375)
Foreign Currency Translation Adjustments			
Balance beginning of year	**4**	24	25
Translation adjustments	**1**	(20)	(1)
Balance end of year	**5**	4	24
Other			
Balance beginning of year	**(9)**	(10)	(10)
Net increase (decrease)	**(9)**	1	—
Balance end of year	**(18)**	(9)	(10)
Stockholders' Equity	**$ (869)**	$ (1.008)	$ (1.076)

The accompanying summary of significant accounting policies and notes are integral parts of this statement.

Consolidated Statement of Cash Flows

For the years ended December 31, 1993, 1992 and 1991 (In millions of dollars)

	1993	1992	1991
Net Cash Flow from Operations			
Net income (loss)	**$ 131**	$ 73	$ (742)
Reconciliation of net cash provided by operating activities:			
Noncash items:			
Cumulative effect of accounting changes (Notes 4 and 15)	**(26)**	—	227
Provision for depreciation, amortization, and rebuilding furnaces (Note 6)	**121**	150	160
Provision (credit) for deferred income taxes	**10**	(21)	(308)
Provision for asbestos litigation claims	**—**	—	1,634
Increase in insurance for asbestos litigation claims	**—**	—	(810)
Amortization of discount on long-term debt	**—**	1	20
Other	**10**	4	3
(Increase) decrease in receivables	**(22)**	(9)	60
(Increase) decrease in inventories	**4**	(17)	14
Increase (decrease) in accounts payable and accrued liabilities	**114**	(9)	4
Proceeds from insurance for asbestos litigation claims	**224**	413	286
Payments for asbestos litigation claims	**(283)**	(405)	(297)
Increase (decrease) in accrued income taxes	**(21)**	(2)	(9)
Other	**(9)**	14	11
Net cash flow from operations	**253**	192	253
Net Cash Flow from Investing			
Additions to plant and equipment	**(164)**	(130)	(96)
Expenditures for rebuilding furnaces	**(14)**	(14)	(18)
Other	**—**	10	(6)
Net cash flow from investing	**(178)**	(134)	(120)
Net Cash Flow from Financing			
Net additions (reductions) in long-term credit facilities	**(90)**	(123)	(152)
Other additions to long-term debt	**—**	337	465
Other reductions to long-term debt	**(21)**	(330)	(296)
Net increase (decrease) in short-term debt	**26**	50	(159)
Other	**11**	7	5
Net cash flow from financing	**(74)**	(59)	(137)
Net increase (decrease) in cash and cash equivalents	**1**	(1)	(4)
Cash and cash equivalents at beginning of year	**2**	3	7
Cash and cash equivalents at end of year (Note 11)	**$ 3**	$ 2	$ 3

The accompanying summary of significant accounting policies and notes are integral parts of this statement.

Notes to Consolidated Financial Statements

1. Industry Segments

The Company operates in two industry segments, Building Products and Industrial Materials and reports its results in two ways: by business segment and geographically.

The business segments are as follows:

Building Products

Production and sale of glass wool fibers formed into thermal and acoustical insulation and air ducts; roofing shingles, built-up roofing systems and asphalt materials; underground storage tanks; windows; and patio doors.

Industrial Materials

Production and sale of glass fiber yarns, rovings, mats and veils, strand and reinforcement products, and polyester and vinyl ester resins.

The geographic reporting combines the two business segments within the major regions: United States, Europe and other, and Canada.

Intersegment sales are generally recorded at market or equivalent value. Income (loss) from operations by industry segment consists of net sales less related costs and expenses.

In computing income (loss) from operations by segment, cost of borrowed funds and other general corporate income and expenses have been excluded. Certain corporate operating expenses directly traceable to industry segments have been allocated to those segments. The Company's European restructuring (Note 5) reduced 1993 income from operations for Industrial Materials by $23 million. The $16 million charge related to the Company's 1992 restructuring (Note 5) reduced income from operations for Building Products by $9 million and increased the general corporate expense by $7 million. In addition, the change in estimate of fixed asset lives reduced 1993 depreciation expense for Building Products, Industrial Materials, and general corporate expense by $9 million, $4 million, and $1 million, respectively. (Note 6)

Identifiable assets by business and geographic segment are those assets that are used in the Company's operations in each business and geographic segment and do not include general corporate assets. General corporate assets consist primarily of cash and cash equivalents, deferred taxes, asbestos insurance, and corporate property and equipment. General corporate assets have been restated to reflect the insurance for asbestos litigation claims required by the Financial Accounting Standards Board Interpretation No. 39 (Summary of Significant Accounting Policies).

1. Industry Segments (Continued)

(In millions of dollars)	**1993**	1992	1991
Business Segments			
Net Sales			
Building Products	**$1,946**	$ 1,899	$ 1,840
Industrial Materials	**998**	979	943
	2,944	2,878	2,783
Intersegment sales			
Building Products	**—**	—	—
Industrial Materials	**85**	88	56
Eliminations	**(85)**	(88)	(56)
Consolidated net sales	**$2,944**	$ 2,878	$ 2,783
Income (Loss) from Operations			
Building Products	**$ 175**	$ 109	$ 96
Industrial Materials	**98**	138	127
General corporate expense	**(37)**	(34)	(851)
Income (loss) from operations	**236**	213	(628)
Cost of borrowed funds	**(89)**	(110)	(131)
Income (loss) before provision for income taxes	**$ 147**	$ 103	$ (759)

(In millions of dollars)	**1993**	1992	1991
Business Segments			
Identifiable Assets at December 31			
Building Products	**$ 797**	$ 766	$ 798
Industrial Materials	**715**	711	667
General corporate	**1,438**	1,636	2,001
	2,950	3,113	3,466
Investments in affiliates accounted for under the equity method	**63**	49	45
Total assets	**$3,013**	$ 3,162	$ 3,511
Depreciation and Amortization			
Building Products	**$ 52**	$ 66	$ 72
Industrial Materials	**42**	51	50
General corporate	**11**	6	10
Total depreciation and amortization	**$ 105**	$ 123	$ 132
Additions to Plant and Equipment			
Building Products	**$ 81**	$ 75	$ 56
Industrial Materials	**64**	50	35
General corporate	**19**	5	5
Total additions	**$ 164**	$ 130	$ 96

(In millions of dollars)	**1993**	1992	1991
Geographic Segments			
Net Sales			
United States	**$2,227**	$ 2,115	$ 2,000
Europe and other	**511**	544	529
Canada	**206**	219	254
	2,944	2,878	2,783
Intersegment sales			
United States	**42**	42	41
Europe and other	**15**	7	3
Canada	**66**	42	17
Eliminations	**(123)**	(91)	(61)
Consolidated net sales	**$2,944**	$ 2,878	$ 2,783
Income (Loss) from Operations			
United States	**$ 254**	$ 193	$ 150
Europe and other	**2**	48	67
Canada	**17**	6	6
General corporate expense	**(37)**	(34)	(851)
Income (loss) from operations	**236**	213	(628)
Cost of borrowed funds	**(89)**	(110)	(131)
Income (loss) before provision for income taxes	**$ 147**	$ 103	$ (759)

(In millions of dollars)	**1993**	1992	1991
Geographic Segments			
Identifiable Assets at December 31			
United States	**$ 898**	$ 875	$ 821
Europe and other	**359**	365	376
Canada	**255**	237	268
General corporate	**1,438**	1,636	2,001
	2,950	3,113	3,466
Investments in affiliates accounted for under the equity method	**63**	49	45
Total assets	**$3,013**	$ 3,162	$ 3,511
Depreciation and Amortization			
United States	**$ 59**	$ 79	$ 83
Europe and other	**21**	25	25
Canada	**14**	13	14
General corporate	**11**	6	10
Total depreciation and amortization	**$ 105**	$ 123	$ 132
Additions to Plant and Equipment			
United States	**$ 103**	$ 95	$ 66
Europe and other	**34**	21	18
Canada	**8**	9	7
General corporate	**19**	5	5
Total additions	**$ 164**	$ 130	$ 96

2. Long-Term Debt

(In millions of dollars)	**1993**	1992
Unsecured credit facility, terminated in 1993	**$ —**	$ 81
Unsecured credit facility due in 1997, variable	**30**	—
Unsecured credit facility due in 1994, variable, payable in Canadian dollars	**—**	39
Convertible junior subordinated debentures due in 2005, 8%, convertible at $29.75 per share	**173**	173
Guaranteed debentures due in 2001, 10%	**150**	150
Debentures due in 2002, 8.875%	**150**	150
Debentures due in 2012, 9.375%	**149**	149
Guaranteed debentures due in 1998, 9.8%	**100**	100
Notes due through 2007, 6.1% to 14.2%, payable in foreign currencies	**77**	92
Bonds due in 2000, 7.25%, payable in Deutsche marks (Note 17)	**50**	50
Other long-term debt due through 2012, at rates from 5.375% to 11.15%	**48**	59
	927	1,043
Less: Current portion	**(29)**	(25)
Total long-term debt	**$ 898**	$ 1,018

The Company has two unsecured, variable rate, bank credit facilities. The first facility has a maximum commitment of $375 million at December 31, 1993 (of which $274 million was unused). The rate of interest is either the bank's base rate, or 13/16% over the certificate of deposit rate, or 11/16% over the London Interbank Offered Rate (LIBOR). The rate of interest on borrowings under this facility was 4.19% at December 31, 1993. A commitment fee of 1/4 of 1% is charged on the unused portions of this facility.

The second facility is payable in Canadian dollars and has a maximum commitment of 135 million Canadian dollars (102 million U.S. dollars) at December 31, 1993, all of which was unused. A commitment fee of 3/8 of 1% is charged on the unused portions of this facility.

As is typical for bank credit facilities, the agreements relating to the facilities described above contain restrictive covenants, including requirements for the maintenance of working capital, interest coverage, and minimum coverage of fixed charges; and limitations on the early retirement of debt, additional borrowings, certain investments, payment of dividends, and purchase of Company stock. The agreements include a provision which would result in all of the unpaid principal and accrued interest of the facilities becoming due immediately upon a change of control in ownership of the Company. A material adverse change in the Company's business, assets, liabilities, financial condition or results of operations constitutes a default under the agreements.

The convertible junior subordinated debentures are subordinated to all present and future indebtedness of the Company and may be redeemed at the option of the Company beginning June 30, 1994. Prior to redemption or maturity, the debentures are convertible into shares of common stock of the Company at a conversion price of $29.75 per share, subject to adjustment in certain events. The Company has reserved approximately six million additional shares of common stock necessary for conversion.

In May 1992, the Company issued $300 million of debentures in two parts. The first part consisted of $150 million of debentures due June 1, 2002, with an effective interest rate of 8.897%. The second part consisted of $150 million of debentures due June 1, 2012, with an effective interest rate of 9.418%. Interest is paid semi-annually for both issues.

During 1992, the Company called, prior to maturity, its 12% sinking fund debentures having a face value of $46 million at a price in excess of book value, which resulted in an extraordinary loss of $1 million ($.02 per share), net of related income taxes of $1 million.

In June 1992, the Company called, prior to maturity, its senior subordinated debentures having a face value of $240 million, which resulted in an extraordinary loss of approximately $2 million ($.05 per share), net of related income taxes of $1 million.

The aggregate maturities and sinking fund requirements for all long-term debt issues for each of the five years following December 31, 1993 are:

Year	*(In millions of dollars)*	Credit Facilities	Other Long-Term Debt
1994		$ —	$ 29
1995		—	24
1996		—	29
1997		30	10
1998		—	104

3. Short-Term Debt

(In millions of dollars)	1993	1992
Balance outstanding at December 31	**$ 77**	$ 56
Weighted average interest rates on short-term debt outstanding at December 31	**6.6%**	8.8%

The Company had short-term unused lines of credit totalling $115 million and $134 million at December 31, 1993 and 1992, respectively.

4. Income Taxes

Effective January 1, 1993, the Company adopted Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." Statement No. 109 changes the criteria for measuring the provision for income taxes and recognizing deferred tax assets and liabilities. The cumulative effect of adopting the standard increased earnings by $26 million as of January 1, 1993.

(In millions of dollars)	1993	1992	1991
Income (loss) before provision (credit) for income taxes:			
U.S.	**$ 163**	$ 107	$ (749)
Foreign	**(16)**	(4)	(10)
Total	**$ 147**	$ 103	$ (759)
Provision (credit) for income taxes:			
Current			
U.S.	**$ 24**	$ 41	$ 53
State and local	**7**	5	8
Foreign	**6**	8	9
Total current	**37**	54	70
Deferred			
U.S.	**27**	(5)	(308)
State and local	**1**	(4)	(9)
Foreign	**(4)**	(12)	9
Total deferred	**24**	(21)	(308)
Adjustment to deferred tax assets and liabilities for an increase in the U.S. federal statutory rate from 34% to 35%	**(14)**	—	—
Total provision (credit) for income taxes	**$ 47**	$ 33	$ (238)

The reconciliation between the U.S. federal statutory rate and the Company's effective income tax rate is:

	1993	1992	1991
U.S. federal statutory rate	**35%**	34%	34%
Operating losses of foreign subsidiaries	**10**	6	(2)
Utilization of losses of foreign subsidiaries	**(2)**	—	—
Enacted federal tax rate change	**(10)**	—	—
Difference between foreign tax rates and U.S. statutory rate	**—**	(2)	1
Provision (credit) for taxes on undistributed earnings of foreign subsidiaries	**(2)**	(6)	(2)
State and local income taxes	**3**	1	—
Other	**(2)**	(1)	—
Effective tax rate	**32%**	32%	31%

As of December 31, 1993, the Company has not provided for withholding or U.S. federal income taxes on approximately $99 million of accumulated undistributed earnings of its foreign subsidiaries as they are considered by management to be permanently reinvested. If these undistributed earnings were not considered to be permanently reinvested, approximately $10 million of deferred income taxes would have been provided.

At December 31, 1993, the Company had tax net operating loss carryforwards for certain of its foreign subsidiaries of approximately $35 million, certain of which expire through 1999.

For the year ended December 31, 1992, the Company utilized book net operating loss carryforwards which resulted in an extraordinary credit of approximately $4 million, or $.09 per share.

4. Income Taxes (Continued)

The significant cumulative temporary differences giving rise to the deferred tax assets and liabilities at December 31, 1993 are as follows:

(In millions of dollars)	Deferred Tax Assets	Deferred Tax Liabilities
Asbestos litigation claims	**$ 363**	**$ —**
Other postretirement benefits	**148**	**—**
Depreciation	**—**	**75**
Furnace rebuild reserves	**45**	**—**
Warranty and product liability reserves	**25**	**—**
Operating loss carryforwards	**35**	**—**
State and local taxes	**—**	**23**
Other	**90**	**4**
Subtotal	**706**	**102**
Valuation allowances	**(40)**	**—**
Total deferred taxes	**$ 666**	**$ 102**

During 1992 and 1991, deferred income taxes were provided for significant timing differences in the recognition of certain items for income tax and financial statement purposes, in accordance with Accounting Principles Board Opinion No. 11. These items consisted of the following:

(In millions of dollars)	1992	1991
Asbestos litigation claims	**$ 2**	$ (290)
Depreciation	**(9)**	(14)
Furnace rebuild reserves	**(3)**	(4)
Interest expense	**(1)**	1
Undistributed earnings of foreign subsidiaries	**(8)**	10
State and local taxes	**2**	3
Warranty and product liability reserves	**1**	(6)
Other postretirement benefits	**(6)**	(6)
Other	**1**	(2)
Deferred tax credit	**$ (21)**	$ (308)

5. Restructuring of Operations

In the first quarter of 1993, the Company recorded a $23 million charge to reorganize its European operations. This charge included $17 million for personnel reductions and $6 million for the writedown of fixed assets.

During the fourth quarter of 1992, the Company recorded a $16 million charge to reorganize its Building Products Group and to centralize its accounting and information systems. This charge included $14 million for personnel reductions and $2 million for the writedown of assets.

6. Depreciation of Plant and Equipment

During 1993, the Company completed a review of its fixed asset lives. The Company determined that as a result of actions taken to increase its preventative maintenance and programs initiated with its equipment suppliers to increase the quality of their products, actual lives for certain asset categories were generally longer than the useful lives for depreciation purposes. Therefore, the Company extended the estimated useful lives of certain categories of plant and equipment, effective April 1, 1993. The effect of this change in estimate reduced depreciation expense for the year ended December 31, 1993 by $14 million and increased income before cumulative effect of accounting change by $8 million ($.19 per share).

7. Science and Technology Expenses

Science and technology expenses include research and development costs of $61 million in 1993, $55 million in 1992, and $47 million in 1991. In addition to research and development costs, science and technology expenses include continuing commercial activities such as engineering and product modifications for special applications and testing.

8. Inventories

Inventories are summarized as follows:

(In millions of dollars)	1993	1992
Finished goods	**$ 195**	$ 203
Materials and supplies	**117**	119
	312	322
Less: Reduction to LIFO basis	**(91)**	(89)
	$ 221	$ 233

Approximately $87 million and $97 million of net inventories were valued using the LIFO method at December 31, 1993 and 1992, respectively.

During 1993, 1992, and 1991, certain inventories were reduced, resulting in the liquidation of LIFO inventory layers carried at lower costs in prior years as compared with the current cost of inventory. The effect of these inventory reductions was to reduce 1993, 1992, and 1991 cost of sales by $1 million, $4 million, and $6 million, respectively.

9. Investments in Affiliates

At December 31, 1993 and 1992, the Company's affiliates, which generally are engaged in the manufacture of fibrous glass products for the insulation, construction, reinforcements, and textile markets, include:

	Percent Ownership	
	1993	1992
Amiantit Fiberglass Industries, Ltd. (Saudi Arabia)	**30%**	30%
Arabian Fiberglass Insulation Company (Saudi Arabia)	**49%**	49%
Asahi Fiber Glass Company, Ltd. (Japan)	**28%**	28%
CAE Fiberglass, Ltd. (Canada)	**25%**	25%
Knytex Company, L.L.C. (USA)	**50%**	—
Lucky Owens-Corning Corp. (Korea)	**30%**	30%
Owens-Corning Eternit Rohre GmbH (Germany)	**50%**	—
Owens-Corning Pipe Botswana (Pty.), Ltd. (Botswana)	**49%**	—
Siam GRP Industries (Thailand)	**20%**	20%
Vitro-Fibras, S.A. (Mexico)	**40%**	40%

Summarized financial information for the Company's affiliates:

(In millions of dollars)	**1993**	1992	1991
At December 31:			
Current assets	**$ 214**	$ 198	$ 164
Noncurrent assets	**387**	320	231
Current liabilities	**240**	233	206
Noncurrent liabilities	**147**	130	58
For the year:			
Net sales	**486**	455	467
Gross margin	**81**	82	100
Net income	**16**	16	27

The Company's equity in undistributed net income of affiliates was $34 million at December 31, 1993.

10. Accounts Payable and Accrued Liabilities

(In millions of dollars)	**1993**	1992
Accounts payable	**$ 244**	$ 183
Payroll and vacation pay	**74**	57
Payroll, property, and miscellaneous taxes	**33**	35
Other postretirement benefits liability	**25**	21
Other	**119**	92
	$ 495	$ 388

11. Consolidated Statement of Cash Flows

Cash payments for income taxes and cost of borrowed funds are summarized as follows:

(In millions of dollars)	**1993**	1992	1991
Income taxes	**$ 43**	$ 49	$ 85
Cost of borrowed funds	**95**	125	108

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

12. Leases

The Company leases certain manufacturing equipment and office and warehouse facilities under operating leases, some of which include cost escalation clauses, expiring on various dates through 2011. Total rental expense charged to operations was $42 million in 1993, $44 million in 1992, and $44 million in 1991. At December 31, 1993, the minimum future rental commitments under noncancellable leases payable over the remaining lives of the leases are:

Period *(In millions of dollars)*	Minimum Future Rental Commitments
1994	$ 34
1995	26
1996	17
1997	13
1998	6
1999 through 2011	23
	$ 119

13. Stock Compensation Plans

The Company's Stock Performance Incentive Plan (SPIP), approved by shareholders in 1992, permits up to two percent of common shares outstanding at the beginning of each calendar year to be awarded as stock options and restricted stock (with 25% of this amount as the maximum permitted number of restricted stock awards). The Company may carry forward unused shares from prior years and may increase the shares available for awards in any calendar year through an advance of up to 25% of the subsequent year's allocation (determined by using 25% of the current year's allocation). These shares are also subject to the 25% limit for restricted stock awards. For 1993, the total amount was 868,215 shares, 813,900 of which were awarded as stock options and 54,315 as restricted stock, which includes an advance of 3,149 shares from the 1994 allocation. 595,189 shares are also available to be awarded under a prior plan; however, the Company does not expect any awards to be made under that plan. Additionally, the Company has a plan to award stock options to nonemployee directors, of which 130,500 shares were available for this purpose as of December 31, 1993.

During 1992, the total number of shares available for stock awards was 833,035 shares, 760,500 of which were awarded as stock options and 56,600 as restricted stock.

Stock Options

Activity during 1993 and 1992 in shares under option:

	1993		1992	
	Number of Shares	**Price Range per Share**	Number of Shares	Price Range per Share
Beginning of year	**2,171,251**	**$12.13 - 33.63**	1,981,989	$ 12.13 - 26.88
Options granted	**845,400**	**39.50 - 47.00**	770,500	29.88 - 33.63
Options exercised	**(413,269)**	**12.13 - 30.63**	(536,481)	12.13 - 26.75
Options cancelled	**(42,556)**	**18.75 - 40.50**	(44,757)	18.75 - 30.63
End of year	**2,560,826**	**$12.13 - 47.00**	2,171,251	$ 12.13 - 33.63
Exercisable	**987,089**	**$17.86 - 40.50**	783,822	$ 12.13 - 30.63

Option prices represent the market price at date of grant. Shares issued under options are recorded in the common stock accounts at the option price. Options granted vest ratably through 1996.

Stock Appreciation Rights

Stock appreciation rights (SARs) were granted to employees in tandem with stock options awarded in 1986, and have been paid in cash or stock. During 1993, all remaining shares were exercised, leaving none outstanding at December 31, 1993. The Company recognized compensation expense in connection with the SARs to the extent that the market price of its common stock exceeded the grant price of the shares subject to such rights. Total SARs expense was less than $1 million for 1993, $4 million for 1992, and $7 million for 1991.

Deferred Stock Awards

At December 31, 1993, the Company had 24,233 shares of deferred stock outstanding. Deferred stock awards vest ratably over various periods ending in 1994. During 1993, no shares of deferred stock were granted, and 295,730 shares were exercised.

Compensation expense is measured based on the market price of the stock at date of grant and is recognized on a straight-line basis over the vesting period.

Restricted Stock Awards

At December 31, 1993, the Company had 398,432 shares of restricted stock outstanding. Stock restrictions lapse, subject to alternate vesting plans for approved early retirement and involuntary termination, over various periods ending in 2003.

14. Share Purchase Rights

Each outstanding share of the Company's common stock includes a preferred share purchase right. Each right entitles the holder to buy from the Company one one-hundredth of a share of Series A Participating Preferred Stock of the Company at a price of $50. The Board of Directors has designated 450,000 shares of the Company's authorized preferred stock as Series A Participating Preferred Stock. There are currently no preferred shares outstanding.

Rights become exercisable and detach from the common stock ten days after a person or group acquires, or announces a tender offer for, 20% or more of the Company's outstanding shares of common stock. The rights expire on December 30, 1996, unless redeemed earlier by the Company. The rights are redeemable by the Company at one cent each at any time prior to ten days following public announcement or notice to the Company that an acquiring person or group has purchased 20% or more of the Company's outstanding common stock. If the Company is acquired in a merger or other business combination at any time after the rights become exercisable, each right would entitle its holder to buy shares of the acquiring or surviving company having a market value of twice the exercise price of the right.

15. Postemployment and Postretirement Benefits Other than Pensions

The Company and its subsidiaries maintain health care and life insurance benefit plans for certain retired employees and their dependents. The health care plans are unfunded and pay either 1) stated percentages of covered medically necessary expenses, after subtracting payments by Medicare or other providers and after stated deductibles have been met, or 2) fixed amounts of medical expense reimbursement. Employees become eligible to participate in the health care plans upon retirement under one of the Company's pension plans if they have accumulated 10 years of service after age 45. Some of the plans are contributory, with some retiree contributions adjusted annually. The Company has reserved the right to change or eliminate these benefit plans subject to the terms of collective bargaining agreements during their term. During 1993, the Company approved changes in its postretirement health care plans for retirees and active employees. These changes, which reduced the accumulated benefit obligation by $120 million and 1993 expense by $18 million, resulted in an unrecognized net reduction in prior service cost which will be amortized through 1999.

The Company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," as of January 1, 1991, for its U.S. plans. Accordingly, the expected cost of postretirement benefits is charged to expense during the years in which eligible employees render service. The pre-tax cumulative effect of the unfunded obligation of $344 million ($227 million after-tax) was charged against earnings as of January 1, 1991.

Adoption of Statement No. 106 for non-U.S. plans is required for 1995 financial reporting. The estimated impact on the Company in the year of adoption is a charge to earnings of $12-20 million.

The following table reconciles the status of the accrued postretirement benefits cost liability at October 31, 1993 and 1992, as reflected on the balance sheet as of December 31, 1993 and 1992:

(In millions of dollars)	**1993**	1992
Accumulated Postretirement Benefits Obligation:		
Retirees	**$ (182)**	$ (239)
Fully eligible active plan participants	**(32)**	(31)
Other active plan participants	**(39)**	(90)
Funded status	**(253)**	(360)
Unrecognized net loss (gain)	**(12)**	(19)
Unrecognized net reduction in prior service cost	**(106)**	—
Accrued postretirement benefits cost liability (includes current liabilities of $25 million in 1993 and $21 million in 1992)	**$ (371)**	$ (379)

The net postretirement benefits cost for 1993, 1992 and 1991 included the following components:

(In millions of dollars)	**1993**	1992	1991
Service cost	**$ 7**	$ 7	$ 6
Interest cost on accumulated postretirement benefits obligation	**23**	30	29
Net amortization and deferral	**(13)**	—	—
Net postretirement benefits cost	**$ 17**	$ 37	$ 35

For measurement purposes, an 11% annual rate of increase in the per capita cost of covered health care claims was assumed for 1994. The rate was assumed to decrease to 10.5% for 1995, then decrease gradually to 6%. The health care cost trend rate assumption has a significant effect on the amounts reported.

15. Postemployment and Postretirement Benefits Other than Pensions (Continued)

To illustrate, increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefits obligation as of October 31, 1993, by $12 million and the aggregate of the service and interest cost components of net postretirement benefits cost for the year then ended by $1.8 million. The discount rate used in determining the accumulated postretirement benefits obligation was 7.5% in 1993, 8.25% in 1992, and 8.6% in 1991.

In November 1992, the FASB issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS 112). This standard requires employers to recognize the obligation to provide benefits to former or inactive employees after employment but before retirement under certain conditions. The obligation should be recognized if it is attributable to employees' service already rendered, the rights to these benefits accumulate or vest, payment of the benefits is probable and the amount can be reasonably estimated. SFAS 112 is effective for the Company beginning in 1994. The impact of SFAS 112 on the Company in the year of adoption is estimated to be a charge of less than $50 million.

16. Pension Plans

The Company has several defined benefit pension plans covering most employees. Under the plans, pension benefits are generally based on an employee's number of years of service and compensation. Company contributions to pension plans are based on the calculations of independent actuaries using the projected unit credit method. Plan assets consist primarily of equity securities with the balance in fixed income investments or insurance contracts. The unrecognized cost of retroactive amendments and actuarial gains and losses are amortized over the average future service period of plan participants expected to receive benefits.

Pension expense for the Company's defined benefit pension plans includes the following:

(In millions of dollars)	**1993**	1992	1991
Service cost	**$ 23**	$ 21	$ 18
Interest cost on projected benefit obligation	**62**	59	58
Actual return on plan assets	**(124)**	(51)	(147)
Net amortization and deferral	**50**	(20)	75
Net pension expense	**$ 11**	$ 9	$ 4

The funded status at October 31, 1993 and 1992 is as follows:

(In millions of dollars)	**1993**		1992	
	Over Funded	**Under Funded**	Over Funded	Under Funded
Vested benefit obligation	**$ 288**	**$ 305**	$ 254	$ 281
Accumulated benefit obligation	**$ 323**	**$ 370**	$ 301	$ 340
Plan assets at fair value	**$ 444**	**$ 335**	$ 395	$ 315
Projected benefit obligation	**398**	**382**	397	358
Plan assets in excess of (less than) projected benefit obligation	**46**	**(47)**	(2)	(43)
Unrecognized loss (gain)	**(12)**	**56**	35	59
Unrecognized prior service cost	**(13)**	**(25)**	(3)	(26)
Unrecognized transition amount	**(45)**	**(14)**	(52)	(17)
Adjustment to minimum liability	**—**	**(11)**	—	—
Net pension liability (includes current liabilities of $7 million in 1993 and $6 million in 1992 and noncurrent assets of $20 million in 1993 and $19 million in 1992)	**$ (24)**	**$ (41)**	$ (22)	$ (27)

The 1993, 1992 and 1991 primary actuarial assumptions used for pension plans were:

	1993	1992	1991
Discount rate	**7.50%**	8.25%	8.60%
Expected long-term rate of return on plan assets	**10.00%**	10.00%	10.00%
Rate of compensation increase	**4.10%**	4.50%	4.50%

The Company also sponsors defined contribution plans available to substantially all U.S. employees. Company contributions for the plans are based on matching a percentage of employee savings up to a maximum savings level. The Company's contributions were $9 million in 1993, $7 million in 1992, and $7 million in 1991.

17. Financial Instruments with Off-Balance-Sheet Risk and Significant Group Concentrations of Credit Risk
The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to help meet financing needs and to reduce exposure to fluctuating foreign currency exchange rates. The Company is exposed to credit loss in the event of nonperformance by the other parties to the financial instruments described below. However, the Company does not anticipate nonperformance by the other parties. The Company does not generally require collateral or other security to support these financial instruments.

The Company enters into forward currency exchange contracts to manage its exposure against foreign currency fluctuations on certain assets and liabilities denominated in foreign currencies. As of December 31, 1993, the Company has forward currency exchange contracts maturing in 1994 which exchange the following currencies: 4 billion Belgian francs, 62 million U.S. dollars, 73 million French francs, 19 million British pounds, 30 million Dutch guilders, and various other currencies. The Company also has three forward currency exchange contracts maturing in 1994 which exchange 150 million Swedish krona and 1.3 billion Belgian francs against approximately 54 million U.S. dollars to hedge its equity investment in certain European subsidiaries and to manage its exposure against fluctuations in foreign currency rates. Gains and losses on hedges of net investments in foreign subsidiaries are included in stockholders' equity. Gains and losses on other foreign currency hedges are included in income in the year in which the exchange rates change.

As of December 31, 1992, the Company had forward currency exchange contracts maturing in 1993 which exchanged the following currencies: 2 billion Belgian francs, 19 million U.S. dollars, 68 million Swedish krona, 12 million British pounds, and various other currencies. The Company also had two forward currency exchange contracts maturing in 1993 which exchanged 150 million Swedish krona and 680 million Belgian francs against approximately 42 million U.S. dollars to hedge its equity investment in certain European subsidiaries.

As of December 31, 1993 and 1992, the Company has entered into four interest rate swap agreements to reduce the interest rates on its fixed rate borrowings. These agreements effectively convert an aggregate principal amount of $150 million of fixed rate long-term debt into variable rate borrowings with interest rates ranging from 3.5% to 5.65% in 1993 and 3.75% to 5.9% in 1992. The agreements mature in 1998. The differential interest to be paid or received is accrued as interest rates change and is recognized over the life of the agreements.

As of December 31, 1993 and 1992, the Company has a cross-currency interest rate conversion agreement from Deutsche marks into U.S. dollars to hedge the interest and principal payments of its 7.25% Deutsche mark bonds, due in 2000. The agreement establishes a fixed interest rate of 11.1%.

As of December 31, 1993, the Company is contingently liable for guarantees of indebtedness owed by certain unconsolidated affiliates of $27 million. The Company is of the opinion that its unconsolidated affiliates will be able to perform under their respective payment obligations in connection with such guaranteed indebtedness and that no payments will be required and no losses will be incurred by the Company under such guarantees.

As of December 31, 1993 and 1992, the Company has no significant group concentrations of credit risk.

18. Disclosures about Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments.

Cash and short-term financial instruments

The carrying amount approximates fair value due to the short maturity of these instruments.

Long-term notes receivable

The fair value has been estimated using the expected future cash flows discounted at market interest rates.

Long-term debt

The fair value of the Company's long-term debt has been estimated based on quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities.

Foreign currency swaps and interest rate swaps

The fair values of foreign currency swaps and interest rate swaps have been estimated by traded market values or by obtaining quotes from brokers.

Forward currency exchange contracts and financial guarantees

The fair values of forward currency exchange contracts and financial guarantees are based on fees currently charged for similar agreements or on the estimated cost to terminate these agreements or otherwise settle the obligations with the counter parties at the reporting date.

The estimated fair values of the Company's financial instruments as of December 31, 1993 and 1992 are as follows:

	1993		1992	
(In millions of dollars)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Cash and short-term financial instruments	**$ 928**	**$ 928**	$ 783	$ 783
Long-term notes receivable	**7**	**5**	8	7
Long-term debt	**898**	**1,063**	1,018	1,102
Foreign currency swaps and interest rate swaps	**—**	**39**	—	35

As of December 31, 1993, the Company is contingently liable for guarantees of indebtedness owed by certain unconsolidated affiliates. There is no market for these guarantees and they were issued without explicit cost. Therefore, it is not practicable to establish their fair value.

As of December 31, 1993 and 1992, the Company has also entered into certain forward currency exchange contracts, the fair values of which are not material to the consolidated financial statements.

19. Contingent Liabilities

Asbestos Liabilities

The Company is a co-defendant with other former manufacturers, distributors and installers of products containing asbestos and with miners and suppliers of asbestos fibers (collectively, the Producers) in personal injury and property damage litigation. The personal injury claimants generally allege injuries to their health caused by inhalation of asbestos fibers from the Company's products. Most of the claimants seek punitive damages as well as compensatory damages. The property damage claims generally allege property damage to school, public and commercial buildings resulting from the presence of products containing asbestos. Virtually all of the asbestos-related lawsuits against the Company arise out of its manufacture, distribution, sale or installation of an asbestos-containing calcium silicate, high temperature insulation product, the manufacture of which was discontinued in 1972.

Status

As of December 31, 1993, approximately 97,800 asbestos personal injury claims were pending against the Company, 31,700 of which were received in 1993. The Company received approximately 26,600 such claims in 1992, and 20,900 in 1991.

Through December 31, 1993, the Company had resolved (by settlement or otherwise) approximately 120,700 asbestos personal injury claims, 22,300 of which were resolved in 1993. During 1991, 1992 and 1993, the Company resolved approximately 62,600 such claims and incurred total indemnity payments of $620 million (an average of less than $10,000 per case). The Company's indemnity payments have varied considerably over time and from case to case, and are affected by a multitude of factors. These include the type and severity of the disease sustained by the claimant (i.e., mesothelioma, lung cancer, other types of cancer, asbestosis or pleural changes); the occupation of the claimant; the extent of the claimant's exposure to asbestos-containing products manufactured, sold or installed by the Company; the extent of the claimant's exposure to asbestos-containing products manufactured, sold or installed by other Producers; the number and financial resources of other Producer defendants; the jurisdiction of suit; the presence or absence of other possible causes of the claimant's illness; the availability or not of legal defenses such as the statute of limitations or state of the art; and whether the claim was resolved on an individual basis or as part of a group settlement.

The Company incurred defense costs of approximately $61 million in respect of asbestos personal injury claims in 1993.

Insurance

As of December 31, 1993, the Company had approximately $429 million in unexhausted products hazard coverage (net of deductibles and self-insured retentions and excluding coverage issued by insolvent carriers) under its liability insurance policies applicable to asbestos personal injury claims. Of this amount, $144 million will not be available until the years 1996 through 2000 under an agreement with the carrier confirming such insurance. An additional $31 million (out of the $429 million coverage) is presently the subject of coverage litigation or alternate dispute resolution procedures. All of the Company's liability insurance policies cover indemnity payments and defense fees and expenses subject to applicable policy limits.

In addition, the Company has substantial unexhausted non-products coverage under such liability insurance policies; an as yet undetermined amount of such non-products coverage is expected to be available for payment of asbestos personal injury claims and associated defense fees and expenses. The Company has commenced arbitration with its primary level insurance carrier seeking to confirm the availability of certain of its non-products coverage for payment of certain asbestos personal injury liabilities, involving the activities of the Company's former insulation contracting business. The Company is seeking prompt rulings on the issues presented, and the arbitration agreement contemplates a schedule that would result in resolution (subject to appeal) no later than mid-1994. For purposes of calculating the amount of insurance applicable to asbestos liabilities, the Company has estimated its recoveries in respect of non-products coverage for claims received through 1999 at approximately $310 million, which represents the Company's best estimate of such recoveries for such claims. The Company cautions, however, that this coverage is unconfirmed and that the actual amounts recovered by the Company could, depending upon the outcome of the arbitration, be much higher or much lower.

Reserve

As a result of its pre-1992 charges for asbestos litigation, the Company had a reserve for asbestos claims, net of estimated insurance recoveries (the "Reserve"); of $892 million, $951 million, and $955 million (including $150 million, $51 million, and $5 million as the current portion of the liability net of estimated insurance recoveries) as of December 31, 1993, 1992, and 1991, respectively. This Reserve is intended to provide for the estimated indemnity and defense costs associated with pending and unasserted asbestos personal injury claims that may be received by the Company through the year 1999. As a result of the adoption of FIN 39 (see Summary of Significant Accounting Policies), the Reserve is no longer reported net of insurance recoveries in the consolidated financial statements.

The Company's estimated total liabilities in respect of indemnity and defense costs associated with pending and unasserted asbestos personal injury claims that may be received through the year 1999, and its estimated insurance recoveries in respect of such claims, are reported separately.

The Company notes, however, that recent case filing rates have been at historically high levels (approximately 26,600 new claims in 1992 and approximately 31,700 claims in 1993). Many of these new claims appear to be the product of mass screening programs and not to involve significant asbestos-related impairment. The large number of recent filings and the uncertain value of these claims have added to the uncertainties involved in calculating the Company's Reserve and in estimating the Company's asbestos liabilities. The Company notes that the courts have treated unimpaired claims in very different ways. For example, the Circuit Court for Kanawha County, West Virginia has scheduled a consolidated trial in 1994 of so-called common issues (including punitive damage issues) of several thousand asbestos personal injury claims (most of which appear to be unimpaired). On the other hand, the Pennsylvania Superior Court has recently held that asymptomatic asbestos-related pleural changes do not state a cause of action under Pennsylvania law; unless this ruling is overturned by the state Supreme Court, it is likely to result in large numbers of case dismissals in Pennsylvania (which has the largest backlog of asbestos claims of any state).

Moreover, certain of the Company's principal co-defendants, the 20 members of the Center for Claims Resolution, have entered into a proposed "global" settlement which would require future claimants to satisfy certain medical criteria indicative of significant asbestos-related impairment as a pre-condition to their eligibility for settlement payments. The Company is using similar criteria in the implementation of its own settlement and litigation strategy and is also seeking to require more careful proof than in the past that claimants had significant exposure to the Company's asbestos-containing product or operations. Depending upon the outcome of the various uncertainties described above, particularly as they relate to unimpaired claims, it may be necessary at some point in the future for the Company to make additional provision for the uninsured costs of asbestos personal injury claims received through the year 1999 (although no such amounts are reasonably estimable at this time). The Company remains confident that its Reserve will be sufficient to provide for the uninsured costs of all such claims that involve malignancies or significant asbestos-related functional impairment. The Company has reviewed and will continue to review the adequacy of its Reserve on a periodic basis and make such adjustments to the Reserve as may be appropriate.

19. Contingent Liabilities (Continued)

The Company cautions that such factors as the number of future asbestos personal injury claims received by it, the rate of receipt of such claims and the indemnity and defense costs associated with asbestos personal injury claims, as well as the prospects for confirming additional, applicable insurance coverage beyond the $429 million referenced above, are influenced by numerous variables that are difficult to predict, and that estimates, such as the Company's, which attempt to take account of such variables, are subject to considerable uncertainty. Accordingly, the actual total cost associated with the asbestos personal injury claims received by the Company through 1999 may be higher or lower than the reported estimates and the actual uninsured costs associated with asbestos personal injury claims received by the Company through 1999 may be higher or lower than those provided for by the Company's Reserve.

The Company cannot estimate and is not providing for the cost of unasserted claims which may be received by the Company after the year 1999 because management is unable to predict the number of claims to be received after 1999, the severity of disease which may be involved and other factors which would affect the cost of such claims.

Cash Expenditures

The Company's anticipated cash expenditures for uninsured asbestos-related costs of claims received through 1999 are expected to approximate the Company's existing reserve (net of estimated insurance recoveries) of $892 million. They will vary annually depending upon a number of factors, including the pace of the Company's resolution of claims and the timing of payment of its insurance.

Management Opinion

Although any opinion is necessarily judgmental and must be based on information now known to the Company, in the opinion of management, the additional uninsured and unreserved costs which may arise out of pending personal injury and property damage asbestos claims and additional similar asbestos claims filed in the future will not have a materially adverse effect on the Company's financial position. While such additional uninsured and unreserved costs incurred in and after the year 2000 may be substantial over time, management believes that any such additional costs will not impair the ability of the Company to meet its obligations, to reinvest in its businesses or to take advantage of attractive opportunities for growth.

Non-Asbestos Liabilities

In October 1991, the Company and certain of its officers and directors were named as defendants in a lawsuit captioned Gaetana Lavalle v. Owens-Corning Fiberglas Corporation, et al. in the United States District Court for the Northern District of Ohio. Lavalle purports to be a securities class action on behalf of all purchasers of the Company's common stock during the period November 1, 1988 through October 18, 1991. The complaint alleges that the Company's disclosures during the alleged class period contained material misstatements and omissions concerning its contingent liabilities for asbestos claims. The complaint seeks an unspecified amount of damages (including punitive damages) on the theory that such alleged misstatements and omissions artificially inflated the price of the Company's stock. Various other lawsuits and claims arising in the normal course of business are pending against the Company, some of which allege substantial damages. Management believes that the outcome of these lawsuits and claims will not have a materially adverse effect on the Company's financial position or results of operations.

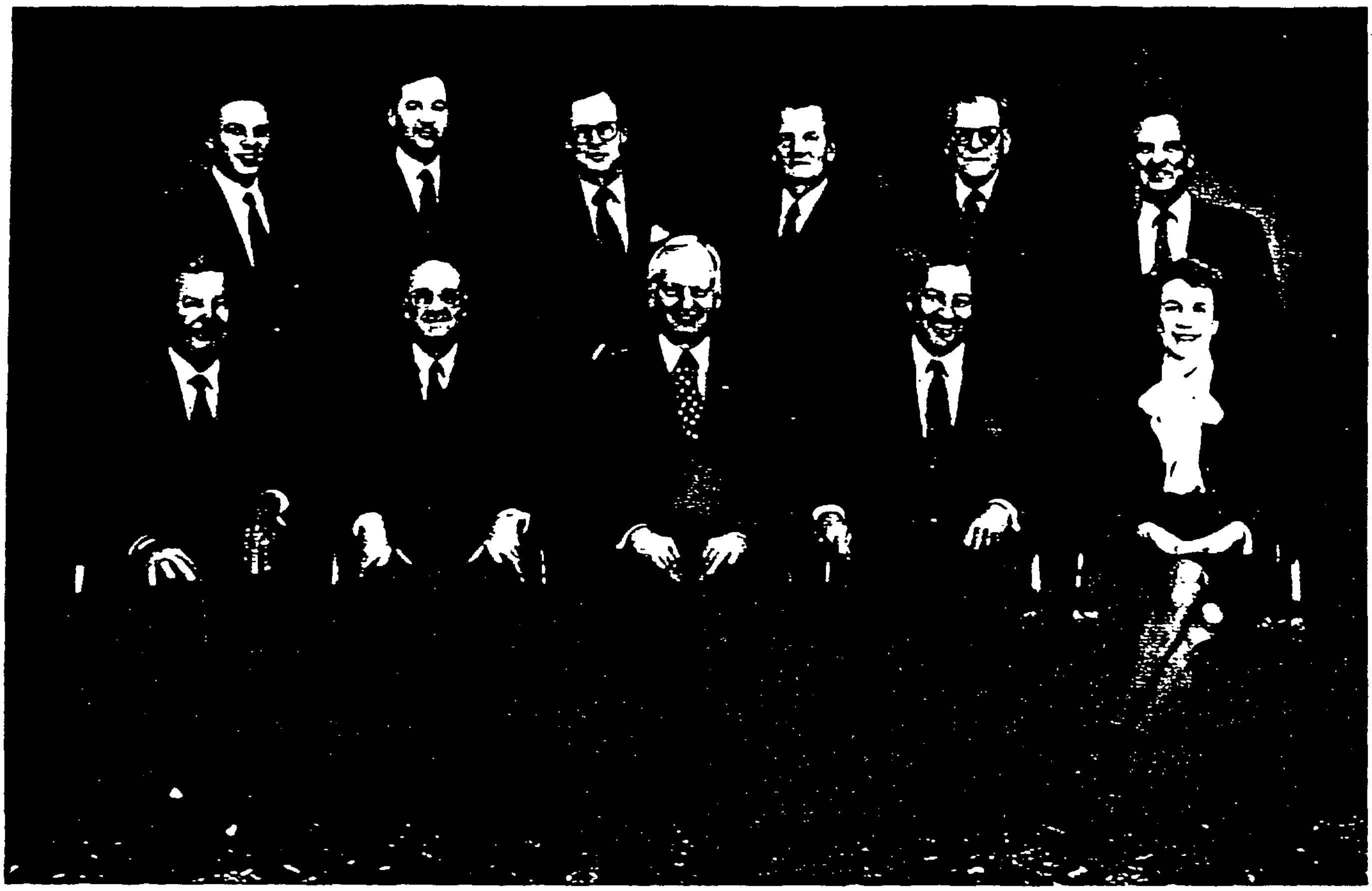
20. Quarterly Financial Information (Unaudited)

(In millions of dollars, except share data)	Quarter First	Quarter Second	Quarter Third	Quarter Fourth
1993				
Net Sales	**$ 651**	**$ 754**	**$ 785**	**$ 754**
Cost of Sales	**516**	**586**	**613**	**578**
Gross margin	**$ 135**	**$ 168**	**$ 172**	**$ 176**
Income before Cumulative Effect of Accounting Change	**$ (9)**	**$ 33**	**$ 48**	**$ 33**
Cumulative effect of accounting change for income taxes (Note 4)	**26**	—	—	—
Net Income	**$ 17**	**$ 33**	**$ 48**	**$ 33**
Net Income per Share:				
Primary				
Income before Cumulative Effect of Accounting Change	**$ (.20)**	**$ .76**	**$ 1.09**	**$ .75**
Cumulative effect of accounting change for income taxes	**.60**	—	—	—
Net Income per Share	**$ .40**	**$ .76**	**$ 1.09**	**$ .75**
Fully Diluted				
Income before Cumulative Effect of Accounting Change	**$ (.13)**	**$ .71**	**$ 1.01**	**$ .70**
Cumulative effect of accounting change for income taxes	**.53**	—	—	—
Net Income per Share	**$ .40**	**$ .71**	**$ 1.01**	**$ .70**

(In millions of dollars, except share data)	Quarter First	Quarter Second	Quarter Third	Quarter Fourth
1992				
Net Sales	$ 626	$ 732	$ 786	$ 734
Cost of Sales	496	576	613	576
Gross margin	$ 130	$ 156	$ 173	$ 158
Income before Extraordinary Items	$ 6	$ 22	$ 32	$ 12
Extraordinary items	—	(1)	—	2
Net Income	$ 6	$ 21	$ 32	$ 14
Net Income per Share:				
Primary				
Income before Extraordinary Items	$ .13	$ .52	$ .75	$ .30
Extraordinary items	—	(.03)	—	.03
Net Income per Share	$ .13	$ .49	$ .75	$ .33
Fully Diluted				
Income before Extraordinary Items	$ .13	$ .51	$ .71	$ .30
Extraordinary items	—	(.03)	—	.03
Net Income per Share	$ .13	$ .48	$ .71	$ .33

Net income per share and primary and fully diluted weighted average shares are computed independently for each of the quarters presented. Therefore, the sum of the quarterly net income per share may not equal the per share total for the year.

Directors



DIRECTORS

Front Row, Left to Right

Peter L. Scott 2,3,5
Former Chairman of the Board
The Black & Decker Corporation

William W. Boeschenstein 1,4
Retired Chairman of the Board and
Chief Executive Officer
Owens-Corning

Glen H. Hiner 1
Chairman of the Board and
Chief Executive Officer
Owens-Corning

Norman P. Blake, Jr. 1,2,5
Chairman of the Board, President
and Chief Executive Officer
USF & G Corporation

W. Ann Reynolds
Chancellor of City University
of New York

Back Row, Left to Right

Jon M. Huntsman, Jr.
Vice Chairman
Huntsman Chemical Corp.

W. Walker Lewis 3, 5
Managing Director
Kidder, Peabody & Company, Inc.

Landon Hilliard 2,3,5
Partner, Brown Brothers
Harriman & Co.

Furman C. Moseley, Jr. 1,2,4
President, Simpson Investment
Company and Chairman,
Simpson Paper Company

Charles E. Exley, Jr. 3,4
Former Chairman of the Board and
Chief Executive Officer
NCR Corporation

David T. McGovern 3,4
Of counsel, Shearman & Sterling

Directors serve on
committees of the Board
as indicated by the numbers
following their names.

1. Executive Committee
   Glen H. Hiner
   Chairman

2. Compensation Committee
   Peter L. Scott
   Chairman

3. Audit Committee
   Charles E. Exley, Jr.
   Chairman

4. Trust Review Committee
   Furman C. Moseley, Jr.
   Chairman

5. Corporate Governance
   Committee
   Landon Hilliard
   Chairman

Senior Officers

Glen H. Hiner
Chairman of the Board and
Chief Executive Officer

Charles H. Dana
Executive Vice President
Development/Planning/Sourcing

BUSINESS SEGMENTS

Charles R. Bland
Vice President and
President, Asia/Pacific

Alan D. Booth
Vice President and
President, Insulation–North America

David T. Brown
Vice President and
President, Roofing/Asphalt

Paula H. J. Cholmondeley
Vice President and
President, Venture Businesses

Carl B. Hedlund
Vice President and
President, Retail/Distribution

Warren D. Knowlton
Vice President and
President, Building Products–Europe

Scott K. Koepke
Vice President and
President, Latin America

Robert C. Lonergan
Vice President and
President, Windows

Patrick F. Moore
Vice President and
President, Pipe

Efthimios O. Vidalis
Vice President and
President, Composites

CORPORATE SEGMENTS

Domenico Cecere
Vice President and
Controller

William W. Colville
Sr. Vice President,
General Counsel and Secretary

David W. Devonshire
Sr. Vice President and
Chief Financial Officer

Robert D. Heddens
Sr. Vice President
Human Resources

Sharell L. Mikesell
Vice President
Science & Technology

Michael I. Miller
Vice President and
Treasurer

Bradford C. Oelman
Vice President
Corporate Relations

General Information

Corporate Address
Owens-Corning World Headquarters
Fiberglas Tower
Toledo, Ohio 43659
(419) 248-8000

Shareholder Services
Owens-Corning maintains a Shareholder Services Office at world headquarters in Toledo, Ohio to assist stockholders. Inquiries are welcome at the world headquarters address.

Transfer Agent and Registrar
Chemical Bank acts as primary Transfer Agent and Registrar for the Company. Questions on change of ownership, total shares owned, consolidation of accounts, and other such matters should be sent to Chemical Bank, Securityholder Relations, P.O. Box 24935 – Church Street Station, New York, New York 10249, or phone 1-800-647-4273.

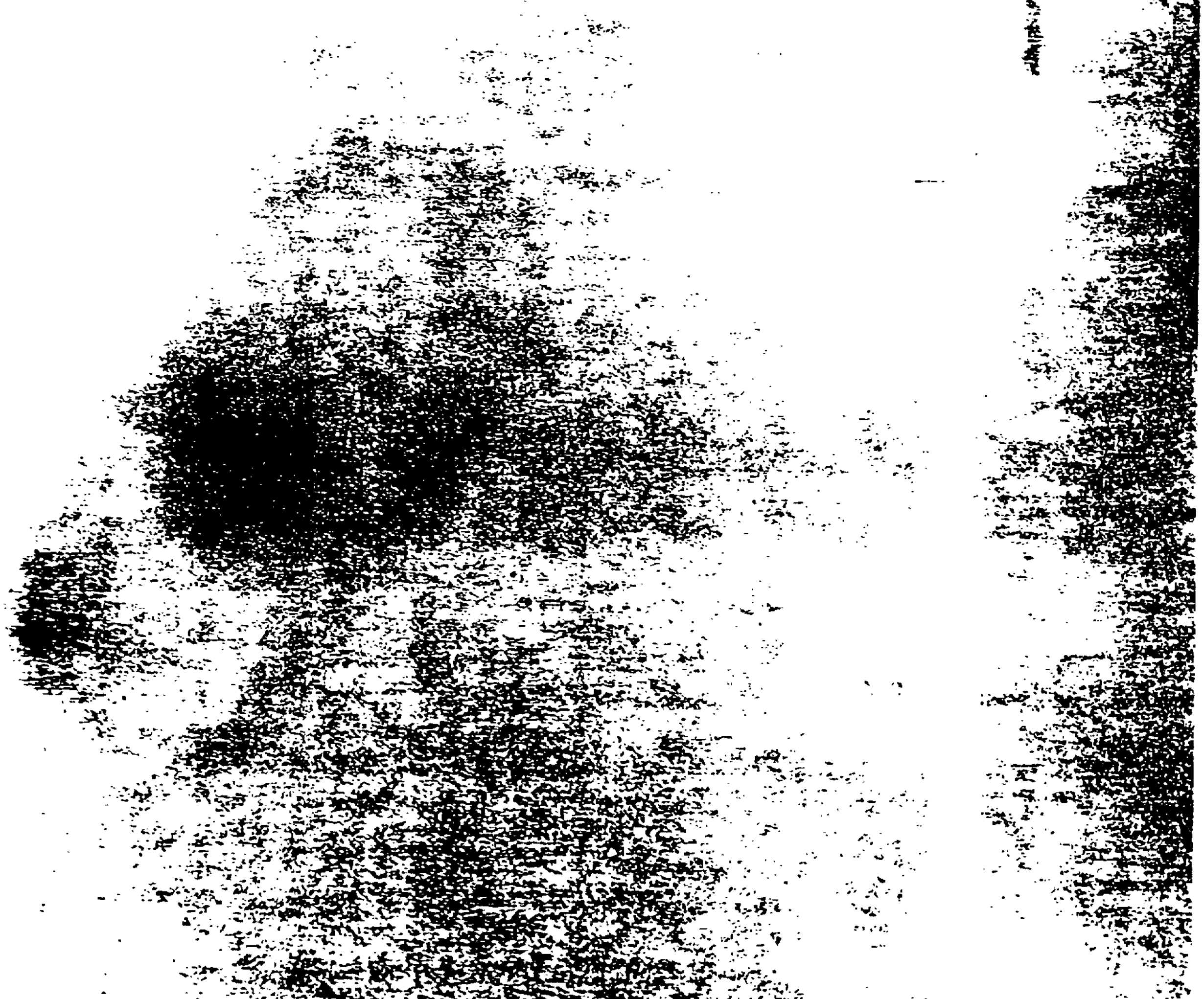
Auditors
Arthur Andersen & Co., Toledo, Ohio is the independent public accounting firm for the Company.

Change of Address
A change of address should be reported promptly by sending a letter to Chemical Bank, Securityholder Relations, P.O. Box 24935 – Church Street Station, New York, New York 10249.

Form 10-K
The Company will provide without charge to any person who is a beneficial owner of its shares a copy of the Company's 1993 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Requests should be addressed to Diane Dunmeade, Inquiry Department, Owens-Corning Fiberglas Corporation, Document Center 3, 801 Washington Street, Toledo, Ohio 43624.

Annual Meeting
The annual stockholders meeting of Owens-Corning Fiberglas Corporation will be held in Swasey Chapel at Denison University, Granville, Ohio at 2 p.m. Thursday, April 21, 1994.

Stock Exchange
Owens-Corning stock is listed for trading on the New York Stock Exchange and the Toronto Stock Exchange under the symbol OCF.



OWENS-CORNING WORLD HEADQUARTERS
FIBERGLAS TOWER
TOLEDO, OHIO 43659