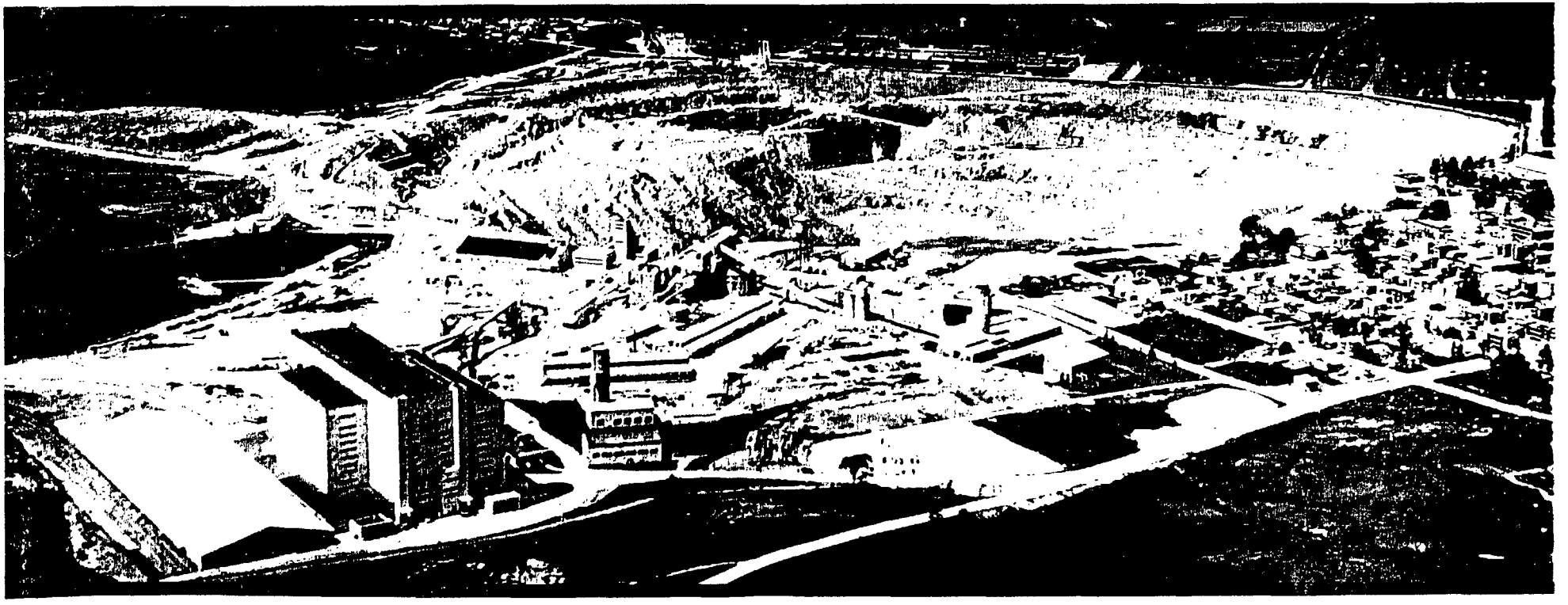
JOHNS-MANVILLE CORPORATION



Johns-Manville's Jeffrey Mine, the Free World's largest asbestos operation.

tabbies
PLAINTIFF'S EXHIBIT
JM 600

ANNUAL REPORT TO STOCKHOLDERS

1962

YEAR'S RESULTS IN BRIEF

	1962	1961	Percent Change
Income			
Net sales amounted to	$392,345,000	$377,784,000	+ 3.9
Dividends, royalties, interest, etc., were	4,401,000	4,817,000	— 8.6
A total of	$396,746,000	$382,601,000	+ 3.7
Expenses			
*Wages, salaries, employee benefits were	$151,851,000	$150,287,000	+ 1.0
Materials and purchased products cost us	141,965,000	136,390,000	+ 4.1
Other costs and expenses were	36,468,000	33,519,000	+ 8.8
Properties depreciated to the extent of	19,606,000	16,934,000	+15.8
*The amount required for taxes was	24,149,000	23,380,000	+ 3.3
A total of	$374,039,000	$360,510,000	
By year-end our inventories of finished goods had increased	1,220,000	1,771,000	
So the amount of expense pertaining to the year was	$372,819,000	$358,739,000	+ 3.9
Earnings			
After these expenses, net earnings were	$ 23,927,000	$ 23,862,000	+ 0.3
Per Share	$2.81	$2.81	
Dividends			
Dividends to stockholders were	$ 17,032,000	$ 17,011,000	+ 0.1
Per Share	$2.00	$2.00	
Reinvestment			
Earnings reinvested in the business	$ 6,895,000	$ 6,851,000	+ 0.6

Social security taxes of $4,418,000 in 1962 and $3,731,000 in 1961 are included in employee benefits.

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MTC 002027



PRESIDENT'S LETTER

CLINTON B. BURNETT
President
Johns-Manville Corporation

TO THE STOCKHOLDERS OF JOHNS-MANVILLE CORPORATION:

Your company reached a new high in sales volume for 1962 — $392.3 million, $14.6 million more than 1961, the best previous year. This record sales volume was achieved in the face of two factors: declining selling prices that were 1.7% less than a year ago, and the discontinuance of its construction activities for the application of acoustical ceilings which had produced annual sales of $6 million.

Earnings after taxes were $23.9 million — slightly higher than in 1961. These earnings take into account the new depreciation regulations, which had the effect of reducing net earnings by $1.5 million, equal to 18 cents per share.

Cash flow, the sum of net earnings and the provision for depreciation and depletion, totaled $43.5 million — $2.7 million more than a year ago.

Higher sales volume was the result of improved conditions in the construction industry, new products, better distribution and accelerated customer service.

Control of our essential raw materials, broad distribution channels, quality products and an extremely sound financial position provide excellent advantages as Johns-Manville faces the future.

Even more important, an efficient management team, an aggressive research, development and engineering organization, and dedicated men and women throughout the company are determined to convert these assets into more sales and improved earnings — to build the company's share of participation in each of its several markets.

For your Board of Directors I extend thanks for the support and cooperation you and our customers gave us during the past year.

C. B. BURNETT
President

February 4, 1963

The Annual Meeting will be held at the Johns-Manville Research & Engineering Center, Finderne Avenue, near Manville, New Jersey, on Thursday, March 14. All stockholders are cordially urged to attend. Proxies for this meeting are being mailed and all stockholders who cannot attend in person are reminded that it is important to send in their proxies.

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Sales

Sales of $392,345,000 established a new record for Johns-Manville in 1962. This was 3.9 percent more than the $377,784,000 sold in 1961, the previous high.

Earnings

Net earnings were $23,927,000, slightly more than in 1961. This amounted to $2.81 per share of the average 8,519,825 common shares outstanding. In 1961 net earnings were $23,862,000, or $2.81 per share on an average of 8,504,819 shares.

Dividends

The following table shows dividends paid on the common stock during 1962:

Record Date	Date Paid	Amount per Share	Total Amount
March 1	March 9	$0.50	$ 4,258,101.50
June 1	June 8	0.50	4,258,205.50
August 31	September 10	0.50	4,258,283.00
December 3	December 10	0.50	4,257,094.00
	Total	$2.00	$17,031,684.00

Taxes

Taxes paid were $28,567,000, equivalent to $3.39 per share of common stock. Of this amount $19,850,000 was levied on United States and Canadian income. In 1961 taxes were $27,111,000, or $3.19 per share, of which $19,150,000 was levied on such income.

The amounts stated are exclusive of certain sales or excise taxes paid to vendors of materials, supplies and services instead of directly to taxing authorities.

Capital Investments

Capital investments totaled $18.0 million in 1962, $3.8 million less than invested during the preceding year.

Replacement of worn equipment required $2.2 million. Projects for effecting more economical operations accounted for $2.9 million. Another $2.7 million was used to improve both existing production facilities and working conditions in plants and mines. The largest share was required for investment in and the creation of new facilities for high-demand, more profitable products. The latter amount was $10.2 million.

The more important investments were:

Johns-Manville's share in the development of Advocate Mine, a venture financed by a group of investors headed by J-M, which moved toward completion during the year. Advocate, located in Baie Verte, Newfoundland, is scheduled to start production in mid-1963. It will be operated by the company's Asbestos Fibre Division.

MTC 002029

The development of Coalinga Mine in California, an 80 percent J-M-owned venture with Kern County Land Company.

Additional facilities completed at Rockdale, Illinois, plant to manufacture Fesco® Board, a high-demand fireproof roof insulation, and for mineral wool acoustical products.

New equipment installed for producing PVC (poly vinyl chloride) panels and pipes at Franklin, Pennsylvania, and Long Beach, California.

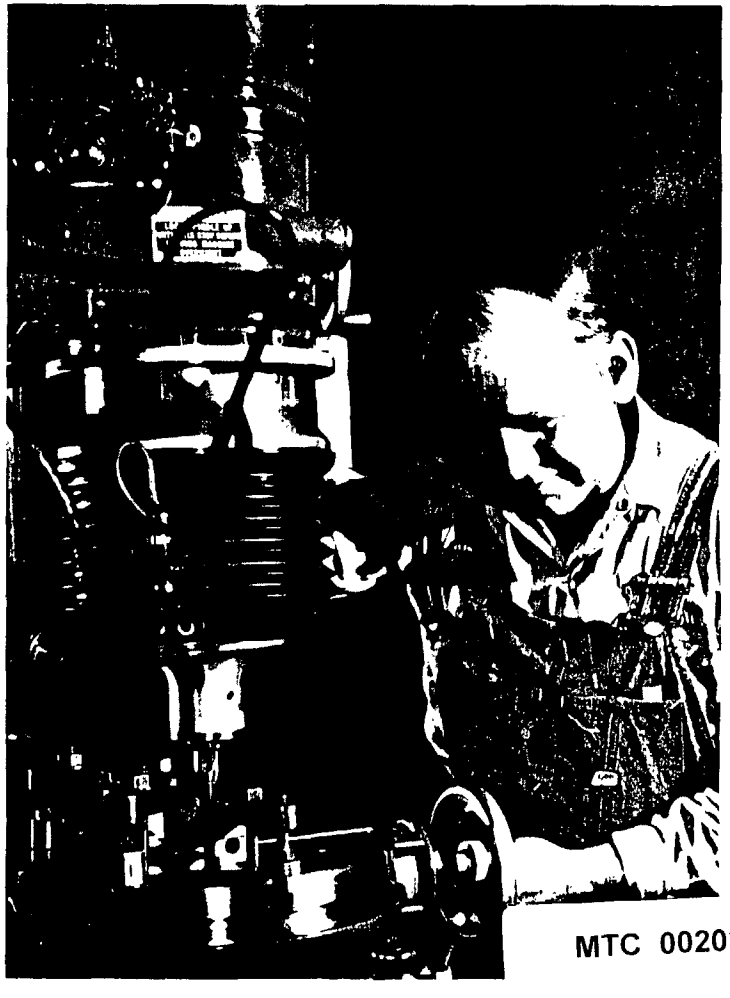
Further manufacturing capacity for epoxy-lined Transite® pipe installed at two plants — Marrero, Louisiana, and Long Beach, California.

Equipment erected for production of Johns-Manville fiber glass pipe covering at Toronto plant.

Cost Reduction

Reducing the cost of doing business is a critical aspect of profit improvement. It is vital if the company is to offset decreased earnings resulting from price declines and increases in payroll and employee benefit costs.

Quite like research developments, cost reductions frequently take time to exert their full impact on earnings. Effective cost savings during the year more than offset price declines and higher payroll and employee benefit costs which totaled $10 million. While much of this improvement came as a result of methods and process changes, part is also due to the elimination of low profit, low demand products, by work simplification, and by closing one unprofitable operation. The Klamath Falls, Oregon, plant was closed in April because West Coast demand for wood fiber insulating board decreased substantially. The loss resulting from the December sale of this plant, less tax saving, was charged to reinvested earnings.



J-M's highly-skilled toolmakers at New Brunswick, N. J., plant create close tolerance forming dies to manufacture metallic gaskets for many specialized industrial purposes. Nicholas Stemmer operates a precision grinder in this superbly-equipped plant.

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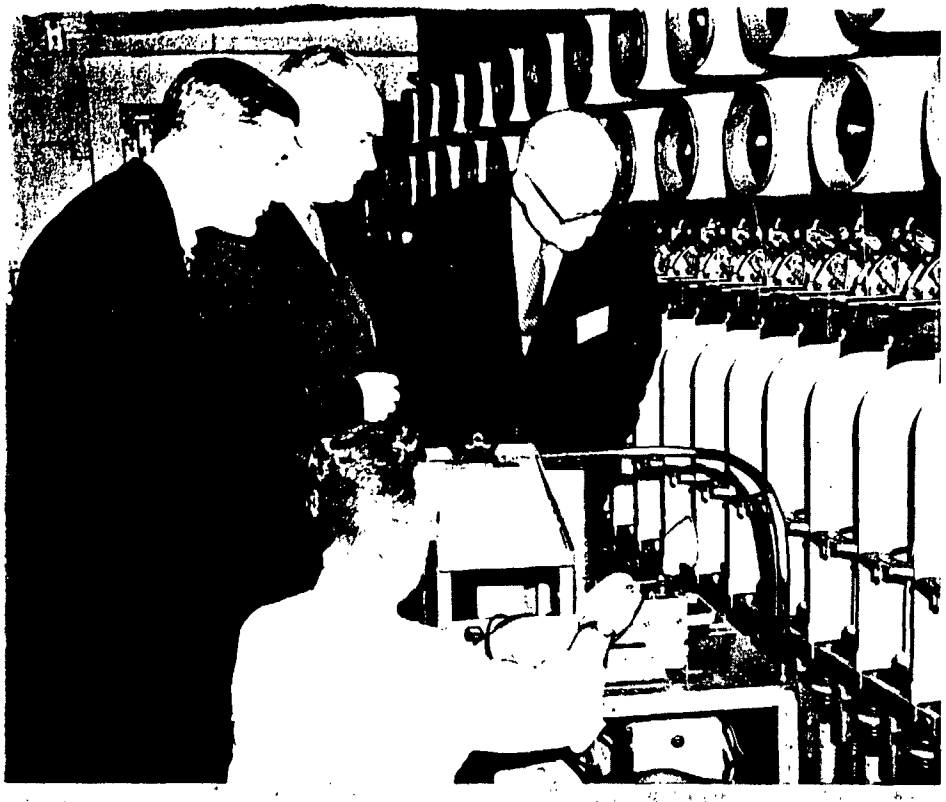


Johns-Manville Directors Joseph A. Grazier, Edgar G. Burton and Roger Hackney watch as Engineer Don Tumblin uses a strobe light to check fiber glass quality at the Waterville, Ohio, plant.

It was decided early in 1962 to go out of the acoustical contract business and to concentrate on the production and sale of sound-control materials. This move transferred application of acoustical products to independent contractors throughout the United States and substantially increased the company's sales and profits in the growing acoustical materials market.

Increasing demand for fiber glass home insulation products dictated the curtailment of the mineral wool home insulation business. Some of the facilities for these products are now used to manufacture mineral wool for acoustical and other fire-resistant building products.

Asbestos, Key to Johns-Manville Sales

The company continued as a major producer and marketer of asbestos fibre, its basic raw material. Sales of asbestos fibre and fibre-containing products accounted for 51 percent of 1962 sales volume.

Shipments of asbestos fibre in 1962 set a new record even though overseas sales declined.

Asbestos operations are conducted by the Asbestos Fibre Division at three locations.

JEFFREY MINE, ASBESTOS, QUEBEC—This vast ore body, J-M's largest, improved its position as a principal free world fibre source. Many changes were made to improve capacity and lower costs at this location. Conversion from underground to open pit mining was completed in April. Development of new ore-handling equipment from mine to mill, together with improvements in ore processing methods, served to increase capacity and yield better quality fibre. Jeffrey Mine's fibre quality and the versatility of its facilities are prime factors in making asbestos and Johns-Manville synonymous around the globe.

MUNRO MINE, MATHESON, ONTARIO—Producing a different type of asbestos fibre from that obtained at Jeffrey, Munro mined, milled and shipped the largest tonnage and highest quality fibres in its history. The natural configuration of this ore body lends itself to underground mining rather than open pit operation. Munro fibres are particularly in demand for those asbestos-cement processes requiring superior filtration properties.

MTC 002031

COALINGA MINE, COALINGA, CALIFORNIA— This new mine and mill facility was opened early in 1962 and fibre shipments commenced in April. Asbestos produced from this mine is a high grade, light color, short fibre, especially suited for the manufacture of vinyl and asphalt flooring products.

Efficient operation and ownership of extensive ore reserves give assurance that Johns-Manville will successfully compete with other asbestos producers throughout the world.

Building Is BIG Business

Much of J-M's business is geared to the construction industry, which in 1962 accounted for a total expenditure of more than $61 billion in the United States and $6.0 billion in Canada.

This industry — America's largest — includes new housing, industrial, commercial and military facilities, educational and institutional buildings, as well as utilities (light, gas, telephone, sewer and water systems).

J-M participates in all segments of this industry, as well as building maintenance and repair, which added another $22 billion to this growing market. Of particular importance to J-M was the increase in construction of public utilities, sewer and water systems, and industrial facilities.

Of total company sales, 61 percent was for construction purposes and 39 percent for products and raw materials for industry. The 61 percent divided into three general classifications — only 15 percent went into the highly competitive new home construction market; 9 percent into maintenance and repair; 37 percent to other kinds and types of construction, including industrial facilities, utilities, sewer and water systems.

Building Ahead with Research

Research has been and continues to be a vital element in Johns-Manville's growth, stability and industry position. Within the first three years of the 1960 decade, the company has made remarkable forward strides as a result of its research and development activities. Of the $392.3 million sales in 1962, $40 million was directly attributable to the creation of new products introduced since 1959. These innovations embraced all basic product lines. Normally a new product initiated by research requires considerable time — often five



Joining a select group of only nine members, Casper Impellizeri (left) is inducted as a member of the J-M Half Century Club. Making the award is Vice President Don L. Hinmon. Looking on approvingly are Robert E. Parry, Manville Quarter Century Club chapter president, and A. C. Smith (right), Assistant Vice President.

years — to make its full impact upon a given market.

Several of the newly developed products include: Last-O-Roof®, PVC (poly vinyl chloride) panels and pipes, and Spinsulation®.

LAST-O-ROOF®— Few people are aware of the complexities of built-up roofing systems, but most are aware of the revolutionary changes taking place in the design and shape of new construction.

Last-O-Roof readily adapts to meet the new and extreme shapes that today's architects conceive. It employs the latest improvements in asbestos felt and woven fiber glass reinforcing materials. The weathering surface is made of a polymer of isobutylene, specially developed to provide remarkable durability. Special J-M adhesives are used to hold roofing materials firmly in place, and color is added as an integral part of the roofing application. This unique material can be quickly applied under extreme weather conditions. It has unusual life expectancy, judged by the results of practical outdoor applications and the severe tests prescribed by the American Society for Testing and Materials, which indicate a life in the 30- to 40-year range.



Though Last-O-Roof was essentially created for the vast industrial, commercial and institutional markets, its suitability to residential construction has been given encouraging consideration by architects and designers.

PVC PANELS AND PIPES — Plastics and plasticizers have long been in J-M's family of materials. In 1962, rigid poly vinyl chloride was added for the production of small diameter pipes and structural panels.

The pipes are especially designed for water and irrigation systems, natural gas, oil, industrial process lines and elec-

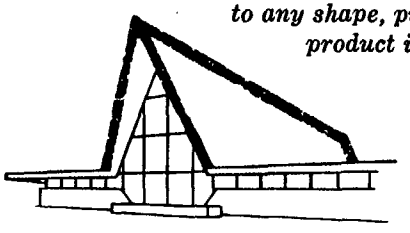
Safety from extreme temperatures was assured for America's world-orbiting astronauts by Min-K® and other super insulations developed by J-M Research. Thermoflex® on a cutaway section of a space vehicle is pointed out by Dr. Sidney Speil, J-M Research, at McDonnell Aircraft's St. Louis plant. Min-K and Thermoflex on Mercury and Gemini spacecraft serve as dramatic evidence of J-M's long-established leadership in insulations.

MTC 002033





Last-O-Roof®, J-M's latest advance in built-up roofing, was selected for the Chamber of Commerce Building, San Clemente, Calif., because of its exceptional adaptability to any shape, pitch or angle in roof design. This J-M product innovation is a one-ply elastomer roof, permitting one-step cold application and providing unusually long life.



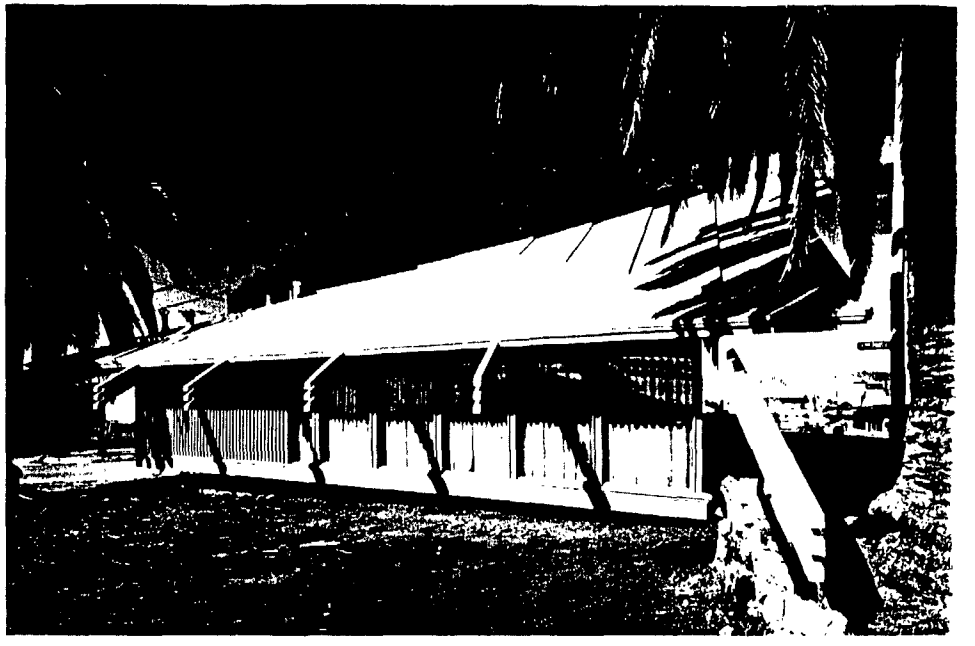
trical conduits. The structural panels are for commercial, industrial and home construction. They are decorative and available in a wide range of colors.

A separate research unit works closely to follow and test each new plastic developed by the chemical industry. This provides assurance that the company will be in a position to take advantage of these new developments which are rapidly gaining in importance to the construction industry.

SPINSULATION®— The demand for improved home insulation, coupled with a distributor-user need for space-saving packaging, sparked company researchers to develop an entirely new fiber glass product — Spinsulation.

Compression packaging permits storage of more Spinsulation in a warehouse space unit than any other fiber glass home insulation on the market. It also provides for lower handling and trucking costs for distributors and users.

Spinsulation now replaces mineral wool home insulation, in which J-M pioneered, and augments the company's wide range of quality fiber glass products.



Litigation

In June 1962 the Corporation, as well as an officer and an employee of the Corporation, were among those indicted for alleged violations of the Federal antitrust laws. The Government also filed a civil suit in July 1962 against the Corporation and others. In both actions the defendants are charged with restraint of trade and attempted monopolization in the manufacture and sale of asbestos-cement pipe and couplings. All defendants have pleaded not guilty to the criminal charges and the Corporation has filed its answer in the civil action denying the allegations of the complaint. The Corporation and the individual defendants associated with it intend to defend themselves vigorously against these charges.

Building Abroad

Johns-Manville's activities in overseas markets, particularly the European Common Market, continued profitable and extensive. Sales to these markets of J-M's United States

MTC 002034



President Kennedy's "E" Award for J-M's significant contribution to the country's export effort is presented to Vice President Roger Hackney (right) by Luther H. Hodges, Secretary of Commerce.

and Canadian manufactured products increased 12 percent over 1961.

Sales effort in overseas countries was strengthened by instituting three sales organizations. One directs market activity in Europe, Africa, and the Middle East; another in South and Central America; and the third, the Far East. New sales offices were opened in Madrid, Spain; Goteborg, Sweden; Lagos, Nigeria; Beirut, Lebanon; Hong Kong; Panama City, Panama; and San Juan, Puerto Rico.

Organization

Kenneth W. Huffine, Vice President for Production, retired December 31, 1962, after 38 years with the company.

John M. Keenan, Jr. and William L. VanDerbeek, both Vice Presidents of Johns-Manville Fiber Glass Inc., were appointed Operations Managers for the Fiber Glass Division. Mr. Keenan directs the division's Textile Department and Mr. VanDerbeek, the Insulations Department. Both appointments were effective May 1, 1962.

Reginald L. Johnson, Director of Advertising and Public Relations, elected to retire early. He was succeeded by Faustin J. Solon, Jr., who had been Assistant Director.

J-M's Business Builders

Johns-Manville's men and women, 20,200 of them, are dedicated to building sales and profits in each of the company's separate businesses.

Management in all divisions and at all levels is a part of the management development program, which saw 111 promotions to key positions during the year. In support of this program, 125 managers from sales, finance, production, research, marketing and other staff functions completed internal management training courses.

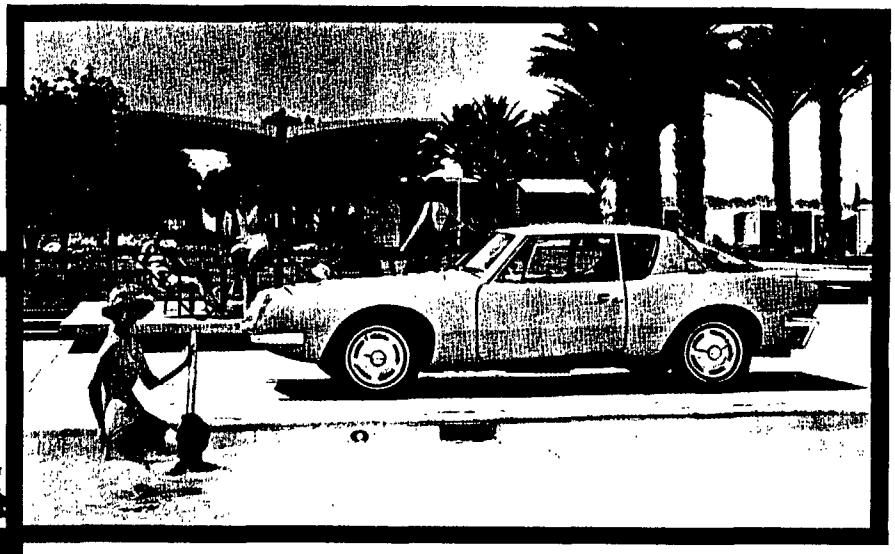
Sales training continued with more emphasis on customer service in all divisions.

The year saw a marked step-up in J-M's skill development program, a systematic approach to the transfer of skills in industrial and maintenance operations. This program is headquarters directed and currently implemented

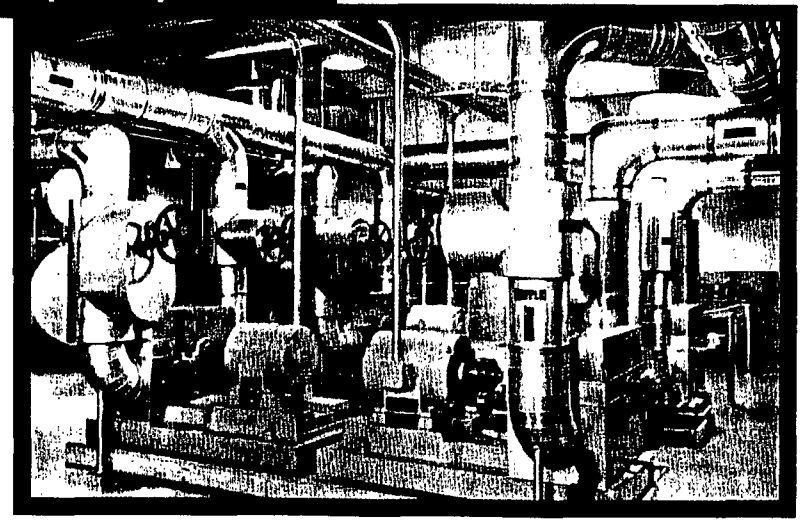
MTC 002035



The graceful design and soft, subtle coloring of Johns-Manville Tumbleweed Acoustical Ceilings accented by the rich warmth and beauty of its Natural Wood Terraflex® floor gives this cheerful family room a bright, fun-to-live-in look.



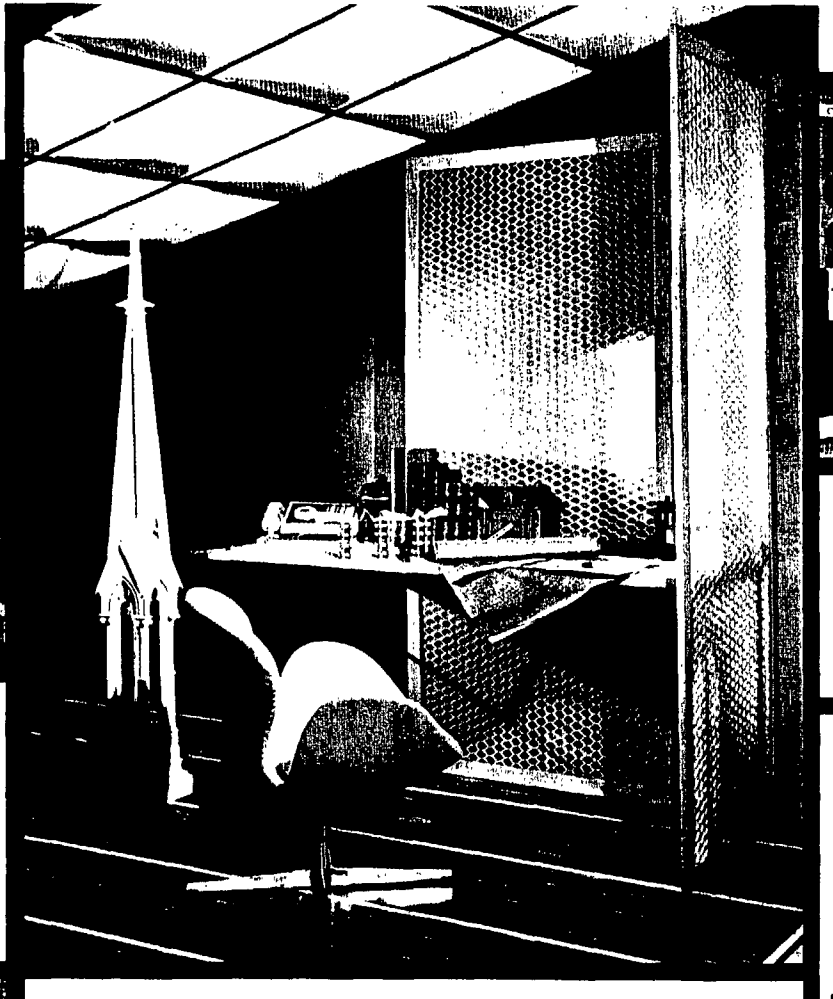
Johns-Manville furnishes fiber glass to reinforce the plastic body of Studebaker's new Avanti. This high performance GT coupe, aerodynamically designed by Raymond Loewy, features such engineering touches as front wheel disc brakes, padded roll-bar in the roof, 4-speed gear box, and tachometer.

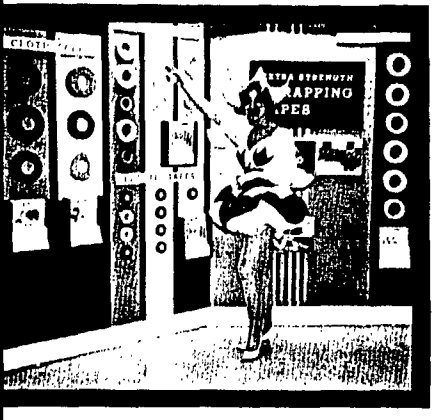


J-M's high temperature Metal-On® insulation is good to look at as well as being an extremely efficient thermal barrier. Made possible through metal-working techniques developed by Johns-Manville for the aerospace industry, Metal-On conserves energy and adds gleaming distinction to pipelines throughout the process industries.

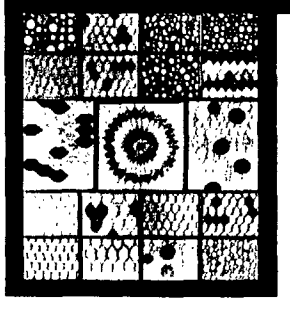


J-M's "Consumable Hot Top" program, under development by research scientists, is an ingenious method of insulating top of ingot mold to improve quality, increase yield of steel. Photo shows test pouring of molten steel under simulated mill conditions.





This colorful J-M Exhibit Booth featured Dutch Brand pressure-sensitive tapes at the recent National Packaging Exposition in New York City's Coliseum.



The display above illustrates the effect of height and spaciousness that can be created with the new 3-dimensional Acousti-Shell "lay-in" ceiling panels. To the left is a striking example of the wide choice of patterns and colors which can be achieved with new J-M Corrulux Honey-Corr.



Helping a California community grow is the role of this large-diameter Transite® pipe. "The white pipe" fulfills the basic need for water, helping to provide it economically for water districts, engineers and contractors.

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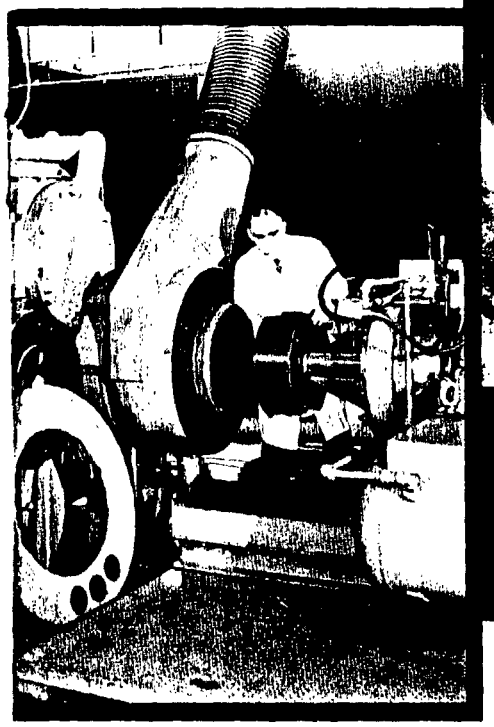
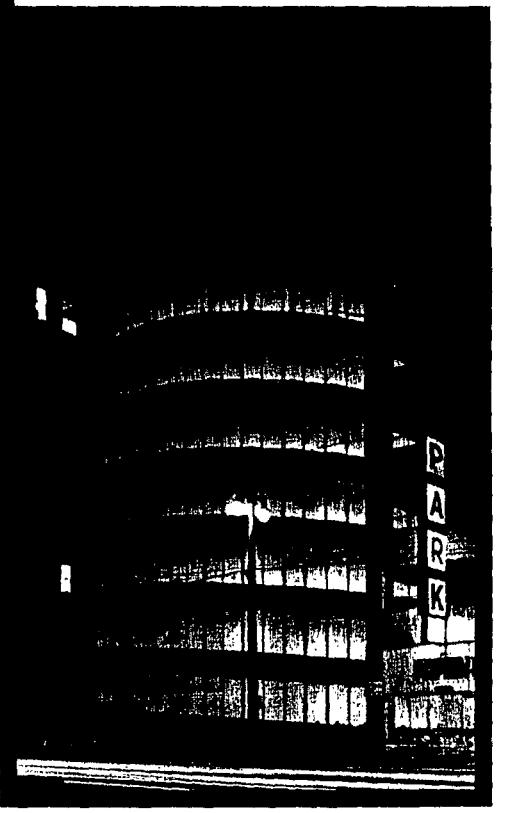


This giant 200-ton unit in the J-M Research Center is the largest inertia dynamometer ever built for testing friction materials. It is setting new standards for measuring and evaluating the effectiveness of brake linings and clutch facings. In a few hours it can reproduce the identical effects of months and years of on-the-job performance.



J-M American Colonial® Roof Shingles were selected for the chapel of the Holy Spirit in New Orleans. Their deep-grooved texture and rich color enhance the distinctive design of the chapel and the adjoining parish hall. Each Golden Bronze shingle is a rigid, asbestos-cement strip, large in size for quick and easy application. The shingles are self-aligning and self-spacing.

Panels that glow by night and sparkle by day. This parking garage in downtown Milwaukee is distinguished by a translucent helix in which automobiles spiral to various levels. This effect is achieved by Corrulux Fiber Glass Panels placed between the concrete ramps.



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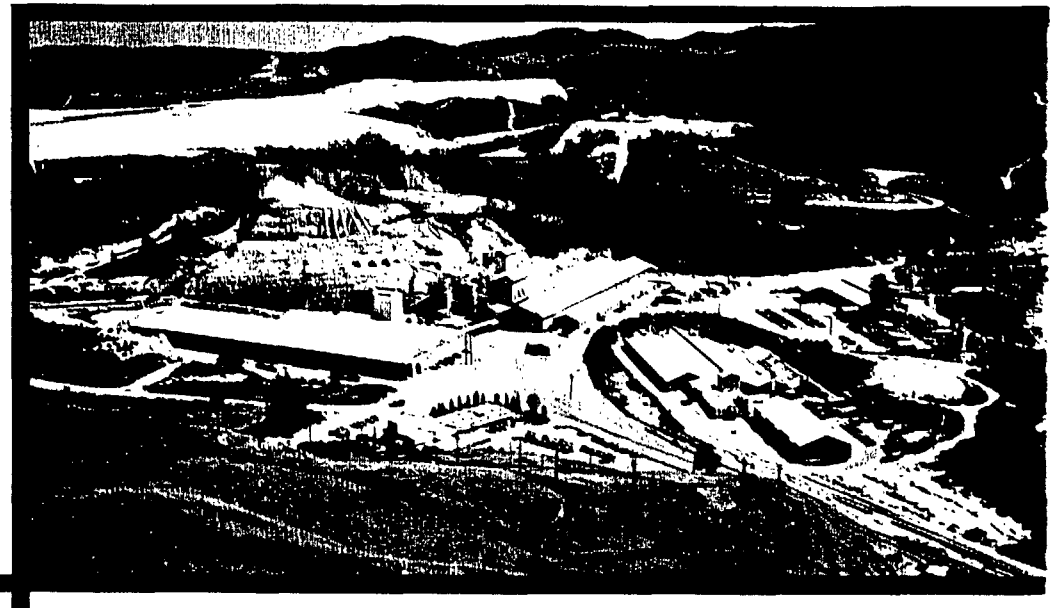
J-M Colored Marine Veneer bonded to panels of J-M Marinite® provides unusual shipboard beauty and fire safety, meets rigid U. S. Coast Guard specifications.



In California's "White Hills", at Lompoc, California are J-M's diatomite mine and mill, source of the company's Celite® Products.



The J-M Pipe-Mobile brings a testing laboratory direct to potential customers. On continuous tour, this trailer display has proved an important tool for the Pipe Division's sales organization.



From the standpoint of safety, brake linings are the most important parts in an automobile. Here a service mechanic demonstrates to a car owner just how J-M Asbestos Brake Lining is applied to brake shoes. J-M Lining is used on many new cars and there is an exact replacement J-M set for every passenger car, bus or truck on the road.

MTC 002039

by 17 training engineers, 15 of whom are either experienced industrial engineers or production supervisors.

Interest and participation in the company's tuition payment plan was high. There were 456 employees enrolled in accredited outside courses, 158 of whom were working toward baccalaureate or advanced degrees.

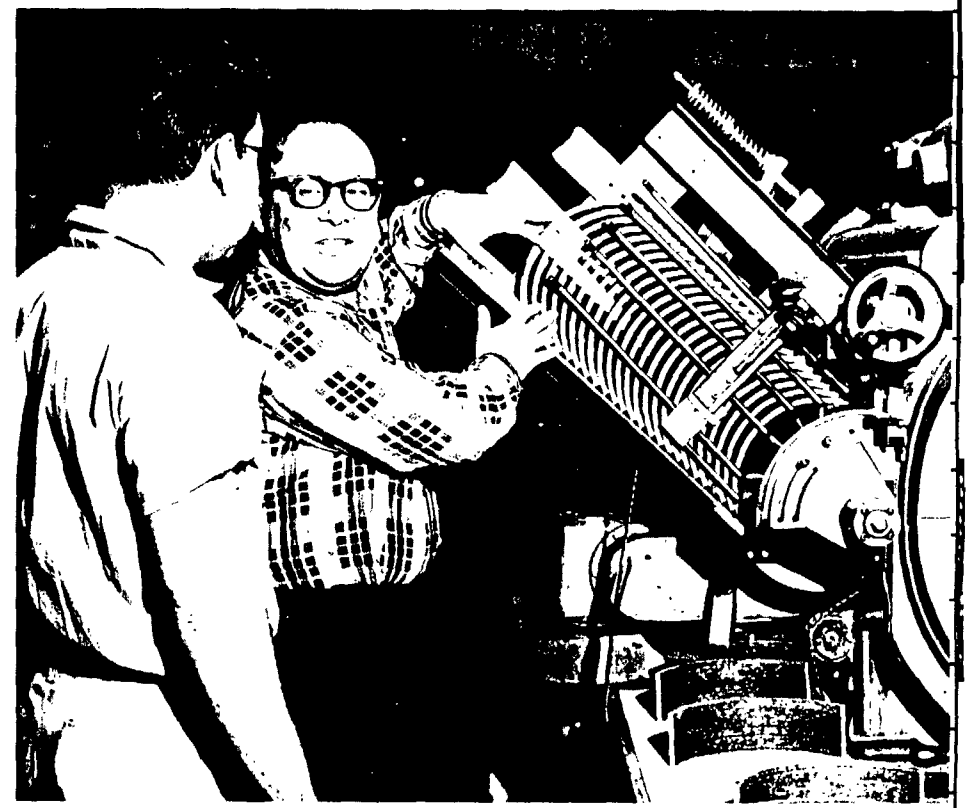
The Johns-Manville Quarter Century Club, which provides recognition for long service employees, inducted 296 members in 1962. At year-end there were 2,317 active and 925 retired Quarter Century Club members and nine retired members of the select Half Century Club.

Accident prevention over the years has placed the company in the industrial forefront in terms of employee safety. Two locations set enviable records, each exceeding 2 million man-hours without a disabling accident. Asbestos plant's record covered the period from September 10, 1959 through 1962. Lompoc mine and mill's safety record began December 1, 1960. Chicago plant passed the 1-½ million man-hour mark and seven other plants exceeded the 1 million man-hour mark without disabling accidents.

Emphasis on employee health and industrial hygiene continued. Three new industrial hygiene laboratories were built and equipped to study working environments at all plant and mine locations. Evaluation of work environment is essential to protect the health of employees.

The company had 43 labor agreements in force, 11 of which were renegotiated during the year, two for three-year periods and the other nine for two-year terms. Labor-management relations continue to be based on mutual respect and fair dealings.

During the year 208 employees retired under the provisions of the United States and Canadian retirement plans. At the end of the year 1,652 men and women were receiving retirement incomes from funds created by both employee and company contributions.



Skill development in action at Waukegan plant — Brake Lining Foreman John Szcygielski (right) takes Mauro Chapa through a step in the double-edge grinder operation.

MTC 002040

J-M PRODUCT LINES

Acoustical Products
Admixtures for Concrete
Aluminum Sidings
Asbestos Boards
Asbestos Felts
Asbestos Fibre
Asbestos Paper
Asbestos Shingles and Siding
Asbestos Textiles
Asphalt Roofings and Other Asphalt Products
Automotive and Industrial Brake Linings and Other Friction Materials
Celite® (Diatomite) Filter Aids, Fillers, Insulations and Synthetic Silicates
Corrulux® Fiber Glass Reinforced Plastic Panels
Electrical Insulations
Fiber Glass Textiles
Floor Tile — Vinyl Asbestos and Asphalt
Gypsum Wallboard and Plaster
Home Insulations
Industrial Fiber Glass and Mineral Wool Insulations
Industrial Insulations — High and Low Temperature
Insulating Board
Insulating Fire Brick
Insulating and Refractory Cements
Movable Asbestos Walls
Packings and Gaskets
Perlite Insulations, Fillers and Filter Aids
Rubber Products
Tapes — Cloth, Plastic and Paper
Transite® (Asbestos-Cement) and Plastic Pipes

OPERATING FACILITIES

Plants

Alexandria, Indiana
Asbestos, Quebec
Avery, Ohio
Billerica, Massachusetts
Chicago, Illinois
Chillicothe, Ohio
Cleveland, Ohio
Corona, California
Defiance, Ohio Carpenter Road
Defiance, Ohio Columbus Avenue
Defiance, Ohio Perry Street
Denison, Texas
Fort Worth, Texas
Franklin, Pennsylvania
Houston, Texas
Hull, England
Jarratt, Virginia
Joliet, Illinois
Lompoc, California
Long Beach, California
Los Angeles, California
Madison, Illinois
Manville, New Jersey
Marrero, Louisiana
Mexico City, Mexico
*Milan, Italy
*Mol, Belgium
Nashua, New Hampshire
Natchez, Mississippi
New Brunswick, New Jersey
North Bay, Ontario
Parkersburg, West Virginia
Pittsburg, California
Richmond, Indiana
Rockdale, Illinois
St. Marcellin, France
Savannah, Georgia
Stockton, California
Tilton, New Hampshire
Toronto, Ontario
Waterville, Ohio
Waukegan, Illinois
Zelienople, Pennsylvania

Mines

Asbestos, Quebec
*Coalinga, California
Lompoc, California
Munro, Ontario
No Agua, New Mexico

Research and Engineering Center

Near Manville, New Jersey

Fiber Glass Research and Technical Center

Waterville, Ohio

MTC 002041

*Majority Owned

TEN-YEAR REVIEW OF OPERATIONS

(All dollar figures except those per share are in millions)

	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	Total
Sales	$392.3	377.8	365.2	377.6	331.7	308.3	310.4	284.7	253.2	252.6	$3,253.8
Earnings Before Income Taxes	$43.8	43.0	49.9	55.7	42.2	31.2	46.2	43.7	29.8	36.4	$421.9
Income Taxes	$19.9	19.1	23.4	24.1	18.8	13.4	21.2	20.2	13.1	16.7	$189.9
Net Earnings	$23.9	23.9	26.5	31.6	23.4	17.8	25.0	23.5	16.7	19.7	$232.0
Earnings per Share*†	$2.81	2.81	3.12	3.74	2.83	2.48	3.79	3.68	2.62	3.10	$30.98
Percentage of Earnings to Sales	6.1%	6.3	7.3	8.4	7.0	5.7	8.0	8.3	6.6	7.8	7.1%
Dividends	$17.0	17.0	17.0	16.7	14.3	14.3	15.0	13.6	13.5	13.5	$151.9
Dividends per Share*	$2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.12½	2.12½	2.12½	$20.63
Investment	$287.2	283.6	275.7	265.4	245.5	210.2	206.2	166.3	154.6	150.8	
Percentage of Earnings to Investment at Start of Year	8.4%	8.7	10.0	12.4	11.1	8.6	15.0	15.2	11.1	13.7	
Capital Expenditures	$18.0	21.8	22.9	17.1	12.9	45.7	26.1	18.3	20.2	21.6	$224.6
Depreciation & Depletion	$19.6	16.9	16.8	16.8	15.8	14.5	13.6	12.6	11.7	10.2	$148.5
Research Development & Engineering Expense	$11.3	11.4	10.1	8.5	7.7	8.5	7.5	6.7	6.1	6.2	$84.0
Book Value per Share*	$33.71	33.30	32.47	31.32	29.63	29.35	28.84	25.97	24.30	23.77	
Shares Outstanding at End of Year*	8,519,900	8,517,613	8,490,038	8,474,214	8,283,192	7,163,006	7,148,723	6,404,126	6,363,060	6,344,168	
Stockholders	30,500	29,400	29,600	30,100	23,800	20,000	19,200	15,100	14,200	14,100	
Employees	20,200	21,200	21,000	22,000	21,800	21,700	21,300	20,500	20,000	20,000	
Wages, Salaries & Employee Benefits	$151.9	150.3	146.3	145.9	135.7	130.9	127.5	116.8	106.2	104.0	$1,315.5

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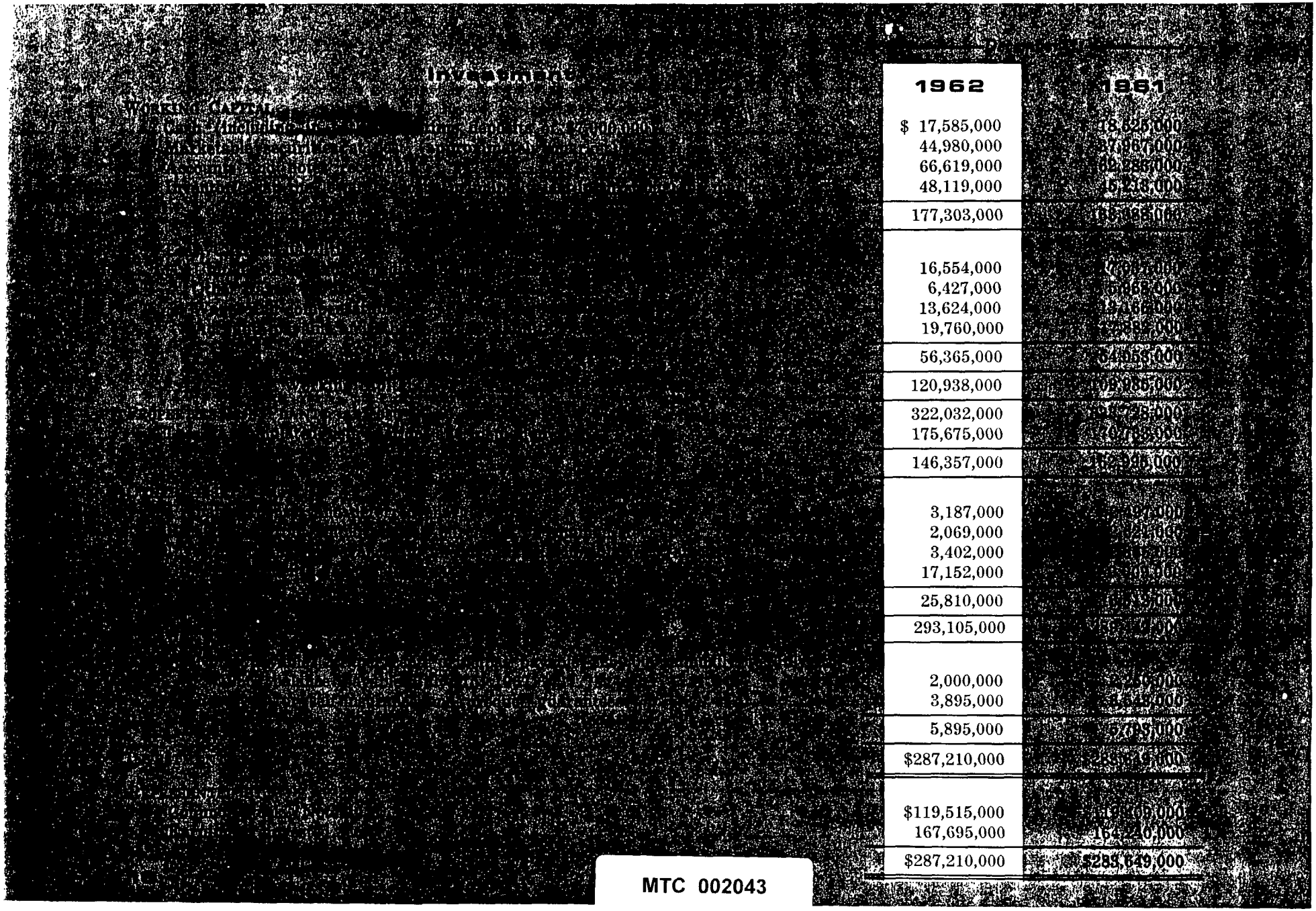
*Adjusted for 1956 stock split
†On average shares outstanding



	1962	1961
	$ 17,585,000	[illegible]
	44,980,000	[illegible]
	66,619,000	[illegible]
	48,119,000	[illegible]
	177,303,000	[illegible]
	16,554,000	[illegible]
	6,427,000	[illegible]
	13,624,000	[illegible]
	19,760,000	[illegible]
	56,365,000	[illegible]
	120,938,000	[illegible]
	322,032,000	[illegible]
	175,675,000	[illegible]
	146,357,000	[illegible]
	3,187,000	[illegible]
	2,069,000	[illegible]
	3,402,000	[illegible]
	17,152,000	[illegible]
	25,810,000	[illegible]
	293,105,000	[illegible]
	2,000,000	[illegible]
	3,895,000	[illegible]
	5,895,000	[illegible]
	$287,210,000	[illegible]
	$119,515,000	[illegible]
	167,695,000	[illegible]
	$287,210,000	$283,649,000

Corporation and Consolidated Subsidiary Companies

Earnings and Earnings Reinvested

	1962	1961
	$392,345,000	
	285,372,000	
	66,570,000	
	351,942,000	
	40,403,000	
	3,374,000	
	43,777,000	
	19,850,000	
	23,927,000	
	164,240,000	
	1,311,000	
	189,478,000	
	17,032,000	
	4,751,000	
	$167,695,000	

Notes

1. Par value of common stock is $5 per share. Of 25,000,000 shares authorized, 8,519,900 shares were issued at December 31, 1962.

At December 31, 1962, 324,978 shares were reserved for issuance under the employees' stock purchase and deferred compensation plans. The Corporation presently intends to purchase in the open market or otherwise all shares of common stock necessary to meet its obligations under these plans.

At December 31, 1962, an additional 151,559 shares are reserved for issuance in connection with the incentive stock option plan. At January 1, 1962 options outstanding for 62,051 shares at prices ranging from $27.82 to $53.00 per share were unexercised. During 1962 options were granted for 69,515 shares at $57.00 per share, options on 2,287 shares were exercised at prices ranging from $27.82 to $53.00 per share, and options on 1,644 shares expired. At the end of 1962 options on 127,635 shares were unexercised and 23,924 shares were available for further option.

2. Depreciation and depletion charged to operations amounted to $19,606,000 in 1962; $16,934,000 in 1961. Depreciation was increased in 1962 by approximately $3,100,000 resulting from adoption of the new guidelines approved by the U. S. Treasury.

See Accountants' Report on inside back cover

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JOHNS-MANVILLE DIVISIONS



ASBESTOS FIBRE

KARL V. LINDELL
Chairman
Canadian Johns-Manville Company, Ltd.

Johns-Manville's Asbestos Fibre Division is engaged in world-wide exploration, acquisition, mining and milling of asbestos fibre. It is also responsible for fibre sales in North America and serves free-world markets through the International Division. The division operates three mines and supplies fibre for all J-M plants manufacturing asbestos products. These mines are at Asbestos, Quebec; Matheson, Ontario; and Coalinga, California. Advocate mine at Baie Verte, Newfoundland will be in operation during 1963. Asbestos, the magic mineral, upon which the enterprise was built, is still the basic raw material upon which a large share of the future depends. J-M's fibre needs are assured for many decades to come.



BUILDING PRODUCTS

FRANCIS E. DUTCHER
Vice President
Johns-Manville Corporation

Operating entirely within the United States, the Building Products Division produces some fifty basic product lines in fifteen plants strategically located for fast customer service. It provides farm, residential, industrial, commercial and institutional construction and modernization markets with materials for structural, protective and decorative purposes. Architects, builders, engineers and home-owners accept Johns-Manville building materials as the standard of excellence and use J-M trade names in many specifications. Some of these familiar names are — Seal-O-Matic® shingles, Fesco® Board, Corrulux®, Transite®, Flexboard®, and Rock Shake® siding shingles. The division is a large user of asbestos fibre, diatomite and perlite. It operates woodlands in Mississippi and Virginia for woodpulp used in its full line of insulating board products.



CANADIAN PRODUCTS

ALFRED G. SINCLAIR
President
Canadian Johns-Manville Company, Ltd.

The Canadian Products Division sells the same products in Canada and overseas as are sold by United States divisions. Its three plants in Asbestos, Que., North Bay and Toronto, Ont., are both managed and manned by Canadians, who manufacture 93 percent of division sales. Headquarters are in Port Credit, Ont., in the Greater Toronto area.



CELITE

CARLTON J. O'NEIL
Vice President
Johns-Manville Products Corporation

The Celite Division operates a diatomite mine and mill in Lompoc, California, and a perlite deposit and mill in No Agua, New Mexico. These non-metallics are refined for use as filter media for foods, beverages, water and chemicals, as extender pigments and flatting agents in paints and as carriers in industrial processes. Diatomite (Celite®) and perlite are raw materials in many Johns-Manville products.



DUTCH BRAND

EDWARD H. WELLS
Vice President
Johns-Manville Sales Corporation

Two plants, one in Chicago, another in Tilton, New Hampshire, make the specialized Dutch Brand lines. The division markets pressure-sensitive tapes for electrical, industrial and home use, adhesives, rubber and cork products, and highly refined dielectric asbestos papers and board for the electric and electronic industries' exacting needs.

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FIBER GLASS

JOHN M. KEENAN, JR. (far left)
WILLIAM L. VANDERBEEK
Vice Presidents
Johns-Manville Fiber Glass Inc.

The Johns-Manville Fiber Glass Division has two operating departments. One produces insulations sold by other divisions. The other manufactures and markets textile fiber glass and plastic reinforcement materials. Fiber Glass has six plants and a complete research and technical center devoted entirely to this dynamic new Johns-Manville business.



FLOORING

ALBERT K. HIGBEE
Vice President
Johns-Manville Products Corporation

Newest of Johns-Manville's eleven divisions, the Flooring Division was established January 1, 1962. It was created by separating from the Building Products Division the sales, production and marketing units in the extremely competitive resilient flooring business. The division's four plants produce vinyl-asbestos and asphalt-asbestos tile flooring in a wide line of colors and styles, fully accepted by architects, designers and home-owners.



INDUSTRIAL INSULATIONS

JOHN B. JOBE
Vice President
Johns-Manville Sales Corporation

Seven Industrial Insulations Division plants manufacture insulations used by almost every type of industry—insulations to cover the entire heat spectrum. Some withstand heat of re-entry from space, some protect at mid-range and others are for cryogenic (extremely low) temperatures. The division is active in aero space projects.

INTERNATIONAL

DUDLEY T. COLTON
Vice President
Johns-Manville International Corporation



Production and sales outside the United States and Canada are the responsibility of the International Division which operates throughout the free world. It has five plants in Belgium, England, France, Italy, and Mexico. In addition, it has a variety of licensing and technical assistance agreements with 59 companies operating 70 plants in 22 countries.

PACKINGS and FRICTION MATERIALS

CLARENCE C. SIMONI
Vice President
Johns-Manville Sales Corporation



The Packings and Friction Materials Division produces and sells packings, gaskets, asbestos textiles, brake linings and blocks and clutch facings. It serves the original equipment and replacement markets in the automotive, industrial, chemical, aircraft, rail, appliance and process fields. The division's three plants are in New Brunswick and Manville, New Jersey, and Waukegan, Illinois.

PIPE

ROBERT F. ORTH
Vice President
Johns-Manville Corporation



The Pipe Division's plants manufacture both asbestos-cement (Transite®) and plastic pipes for home, farm and turf irrigation, public works, water and sewer systems, industrial and process applications. The public works market is generally sold on a direct basis, while most other users are sold through distributors in principal market areas.

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BOARD OF DIRECTORS

Clinton B. Burnett ..... *President, Johns-Manville Corporation*
Enders M. Voorhees ..... *Director, Member of the Executive Committee and Finance Committee, United States Steel Corporation*
Henry C. Alexander ..... *Chairman, Morgan Guaranty Trust Company of New York*
John W. Hanes ..... *Director, Olin Mathieson Chemical Corporation*
Leslie M. Cassidy ..... *Director, Texas Gulf Sulphur Company*
Adrain R. Fisher ..... *Director, American Radiator & Standard Sanitary Corporation*
Clifford F. Rassweiler ..... *Vice President, Johns-Manville Corporation*
William C. Stolk ..... *Chairman, American Can Company*
Edgar G. Burton ..... *Chairman and President, Simpsons, Limited (Toronto)*
Joseph A. Grazier ..... *President, American Radiator & Standard Sanitary Corporation*
Roger Hackney ..... *Vice President, Johns-Manville Corporation*
John D. Biggers ..... *Chairman, Finance Committee, Libbey-Owens-Ford Glass Company*
Francis H. May, Jr. ..... *Vice President, Johns-Manville Corporation*

OFFICERS OF THE CORPORATION

Clinton B. Burnett ..... *President*
Clifford F. Rassweiler ..... *Vice President for Research, Development and Engineering*
Charles W. Hite ..... *Vice President for Industrial Relations*
Roger Hackney ..... *Vice President for Mining and International Divisions*
Robert F. Orth ..... *Vice President for Sales and for Pipe Division*
Don L. Hinmon ..... *Vice President for Industrial Divisions*
Francis E. Dutcher ..... *Vice President for Building Products Division*
Francis H. May, Jr. ..... *Vice President for Finance*
Arthur C. Smith ..... *Assistant Vice President for Research, Development and Engineering*
Herbert Morton Ball ..... *Secretary and General Attorney*
James M. Shackelford ..... *Treasurer*
Irving J. Pedly ..... *Assistant Secretary*
Mrs. Consuelo C. Bean ..... *Assistant Secretary*
Richard M. Davis ..... *Assistant Treasurer*
Harold J. White ..... *Assistant Treasurer*

MTC 002047

ACCOUNTANTS' REPORT

TO THE STOCKHOLDERS AND
BOARD OF DIRECTORS OF
JOHNS-MANVILLE CORPORATION,
NEW YORK, N. Y.

We have examined the statement of investment of JOHNS-MANVILLE CORPORATION and its Consolidated Subsidiary Companies as of December 31, 1962 and 1961 and the related statement of earnings and earnings reinvested for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the Canadian subsidiaries for 1962 and 1961, which statements were examined by Sharp, Milne & Co., Canadian chartered accountants, whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for Canadian subsidiaries, is based solely upon such reports.

In our opinion, subject to the effects, if any, of the outcome of antitrust litigation referred to on page 7, in the Annual Report to Stockholders, the accompanying statement of investment and related statement of earnings and earnings reinvested present fairly the financial position of Johns-Manville Corporation and its consolidated subsidiary companies at December 31, 1962 and 1961 and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, January 24, 1963.

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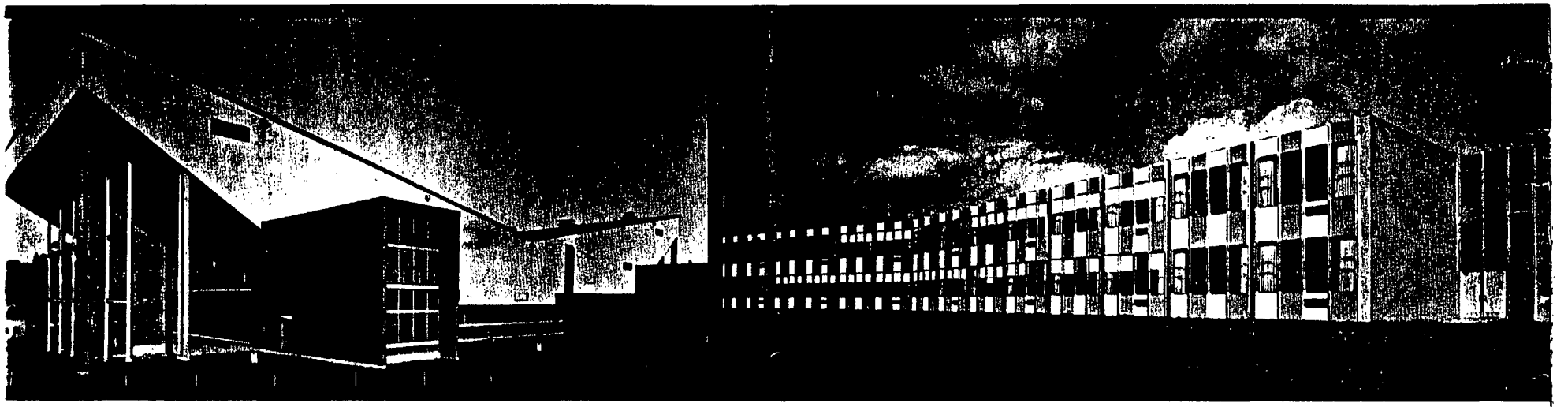
Printed in U. S. A.



The Municipal Auditorium at Bangor, Maine, with its wide spreading "V" design, is sheathed with J-M Corrugated Transite sheets.

Colorful walls of St. Paul's Como Park Jr. High School are J-M Transitop®. Panels have insulating cores between asbestos-cement sheets.

JOHNS-MANVILLE

CORPORATION

22 EAST 40TH STREET

NEW YORK 16, N. Y.

Transfer Agents
Morgan Guaranty Trust Company of New York
National Trust Company — Montreal and Toronto

Registrars
The Chase Manhattan Bank — New York
Montreal Trust Company — Montreal and Toronto

General Counsel
Davis Polk Wardwell Sunderland & Kiendl—New York

Auditors
Lybrand, Ross Bros. & Montgomery — New York
Sharp, Milne & Co. — Montreal

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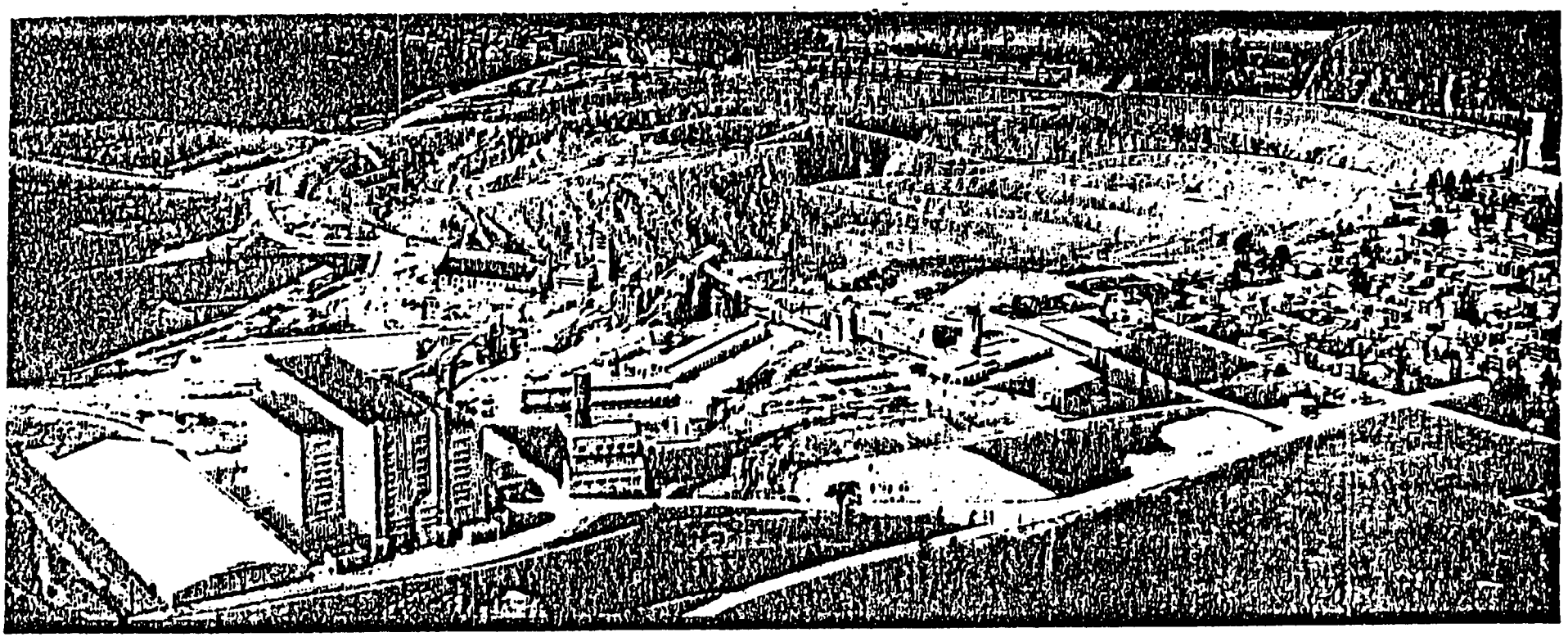
JOHNS-MANVILLE CORPORATION



Johns-Manville's Jeffrey Mine, the Free World's largest asbestos operation.

ANNUAL REPORT TO STOCKHOLDERS

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	1962	Percent Change
Income		
	$392,345,000	+ 3.9
	4,401,000	— 8.6
	$396,746,000	+ 3.7
Expenses		
	$151,851,000	+ 1.0
	141,965,000	+ 4.1
	36,468,000	+ 8.8
	19,606,000	+15.8
	24,149,000	+ 3.3
	$374,039,000	
	1,220,000	
	$372,819,000	+ 3.9
Earnings		
	$ 23,927,000	+ 0.3
	$2.81	
Dividends		
	$ 17,032,000	+ 0.1
	$2.00	
Reinvestment		
	$ 6,895,000	+ 0.6

Social security taxes of $4,418,000 in 1962 and $3,731,000 in 1961 are included in employee benefits.

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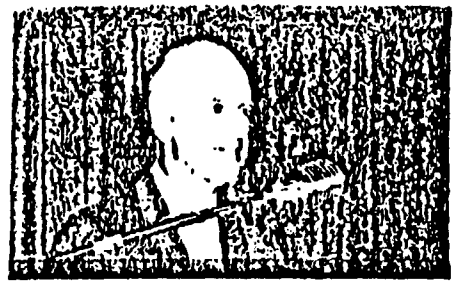


PRESIDENT'S LETTER

CLINTON B. BURNETT
President
Johns-Manville Corporation

TO THE STOCKHOLDERS OF JOHNS-MANVILLE CORPORATION:

Your company reached a new high in sales volume for 1962—$392.3 million, $14.6 million more than 1961, the best previous year. This record sales volume was achieved in the face of two factors: declining selling prices that were 1.7% less than a year ago, and the discontinuance of its construction activities for the application of acoustical ceilings which had produced annual sales of $6 million.

Earnings after taxes were $23.9 million—slightly higher than in 1961. These earnings take into account the new depreciation regulations, which had the effect of reducing net earnings by $1.5 million, equal to 18 cents per share.

Cash flow, the sum of net earnings and the provision for depreciation and depletion, totaled $43.5 million—$2.7 million more than a year ago.

Higher sales volume was the result of improved conditions in the construction industry, new products, better distribution and accelerated customer service.

Control of our essential raw materials, broad distribution channels, quality products and an extremely sound financial position provide excellent advantages as Johns-Manville faces the future.

Even more important, an efficient management team, an aggressive research, development and engineering organization, and dedicated men and women throughout the company are determined to convert these assets into more sales and improved earnings—to build the company's share of participation in each of its several markets.

For your Board of Directors I extend thanks for the support and cooperation you and our customers gave us during the past year.

C. B. BURNETT
President

February 4, 1963

The Annual Meeting will be held at the Johns-Manville Research & Engineering Center, Finderne Avenue, near Manville, New Jersey, on Thursday, March 14. All stockholders are cordially urged to attend. Proxies for this meeting are being mailed and all stockholders who cannot attend in person are reminded that it is important to send in their proxies.

MTC 002052

Sales

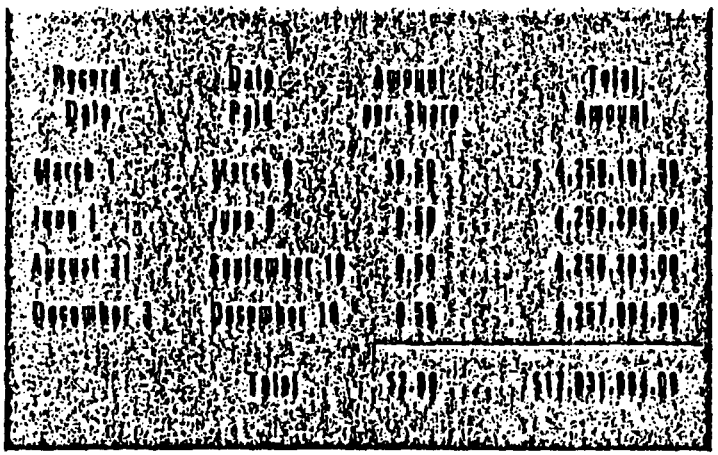
Sales of $392,345,000 established a new record for Johns-Manville in 1962. This was 3.9 percent more than the $377,784,000 sold in 1961, the previous high.

Earnings

Net earnings were $23,927,000, slightly more than in 1961. This amounted to $2.81 per share of the average 8,519,825 common shares outstanding. In 1961 net earnings were $23,862,000, or $2.81 per share on an average of 8,504,819 shares.

Dividends

The following table shows dividends paid on the common stock during 1962:



Record Date	Date Paid	Amount per Share	Total Amount
March 1	March 9	$0.50	$ 4,250,000.00
June 1	June 8	0.50	4,250,000.00
August 31	September 10	0.50	4,250,000.00
December 4	December 10	0.50	4,257,000.00
	Total	$2.00	$17,007,000.00

Taxes

Taxes paid were $28,567,000, equivalent to $3.39 per share of common stock. Of this amount $19,850,000 was levied on United States and Canadian income. In 1961 taxes were $27,111,000, or $3.19 per share, of which $19,150,000 was levied on such income.

The amounts stated are exclusive of certain sales or excise taxes paid to vendors of materials, supplies and services instead of directly to taxing authorities.

Capital Investments

Capital investments totaled $18.0 million in 1962, $3.8 million less than invested during the preceding year.

Replacement of worn equipment required $2.2 million. Projects for effecting more economical operations accounted for $2.9 million. Another $2.7 million was used to improve both existing production facilities and working conditions in plants and mines. The largest share was required for investment in and the creation of new facilities for high-demand, more profitable products. The latter amount was $10.2 million.

The more important investments were:

Johns-Manville's share in the development of Advocate Mine, a venture financed by a group of investors headed by J-M, which moved toward completion during the year. Advocate, located in Baie Verte, Newfoundland, is scheduled to start production in mid-1963. It will be operated by the company's Asbestos Fibre Division.

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The development of Coalinga Mine in California, an 80 percent J-M-owned venture with Kern County Land Company.

Additional facilities completed at Rockdale, Illinois, plant to manufacture Fesco® Board, a high-demand fireproof roof insulation, and for mineral wool acoustical products.

New equipment installed for producing PVC (poly vinyl chloride) panels and pipes at Franklin, Pennsylvania, and Long Beach, California.

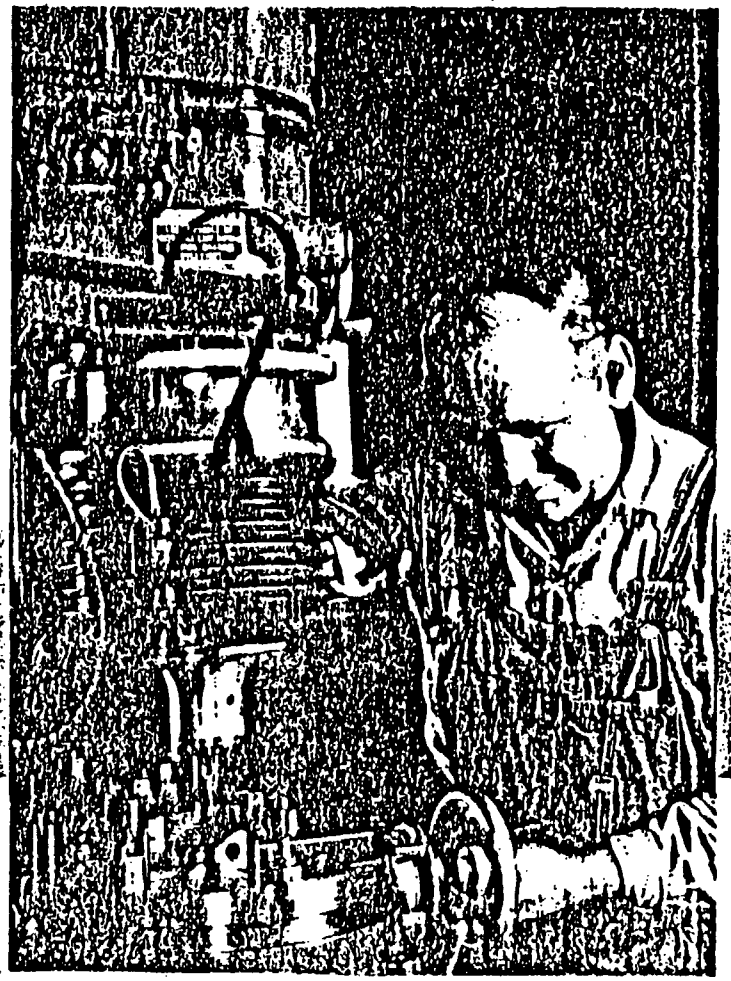
Further manufacturing capacity for epoxy-lined Transite® pipe installed at two plants—Marrero, Louisiana, and Long Beach, California.

Equipment erected for production of Johns-Manville fiber glass pipe covering at Toronto plant.

Cost Reduction

Reducing the cost of doing business is a critical aspect of profit improvement. It is vital if the company is to offset decreased earnings resulting from price declines and increases in payroll and employee benefit costs.

Quite like research developments, cost reductions frequently take time to exert their full impact on earnings. Effective cost savings during the year more than offset price declines and higher payroll and employee benefit costs which totaled $10 million. While much of this improvement came as a result of methods and process changes, part is also due to the elimination of low profit, low demand products, by work simplification, and by closing one unprofitable operation. The Klamath Falls, Oregon, plant was closed in April because West Coast demand for wood fiber insulating board decreased substantially. The loss resulting from the December sale of this plant, less tax saving, was charged to reinvested earnings.



J-M's highly skilled toolmakers at New Brunswick, N. J., plant create close tolerance forming dies to manufacture metallic gaskets for many specialized industrial purposes. Nicholas Klemmer operates a precision grinder in this superbly equipped plant.

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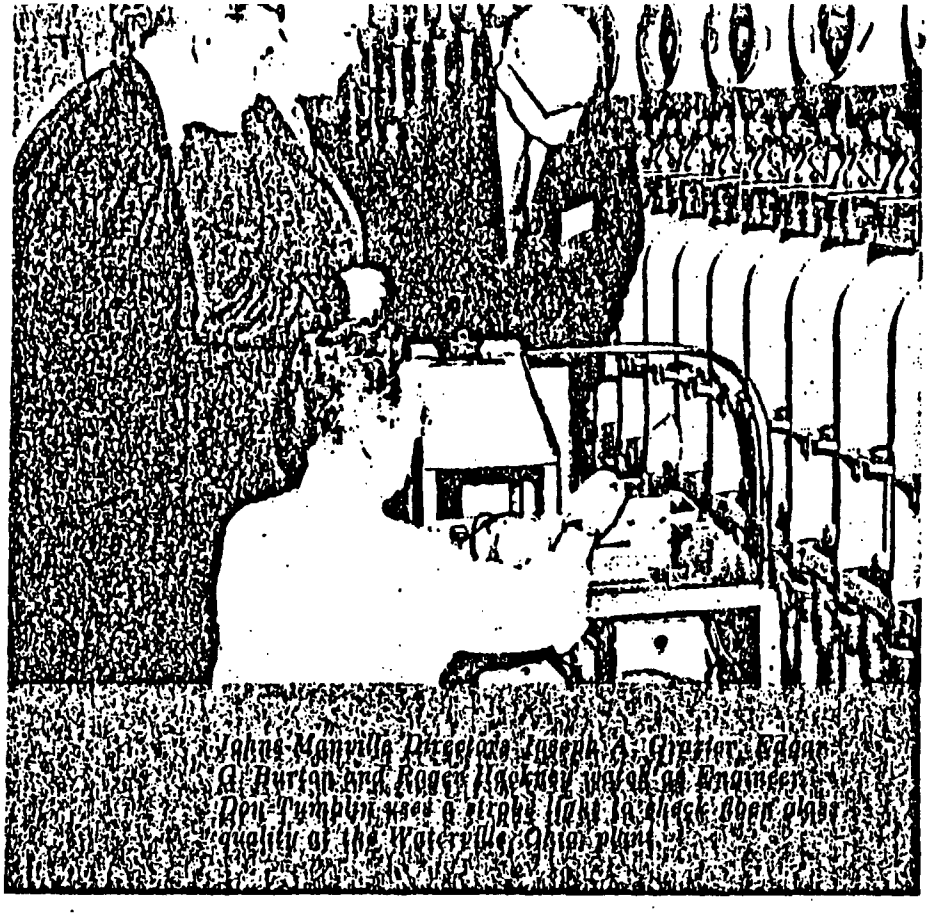

Johns-Manville Directors Joseph A. Grazier, Edgar C. Hurton and Roger Hackney watch as Engineer Don Tumblin uses a strobe light to check fiber glass quality at the Waterville, Ohio plant.

It was decided early in 1962 to go out of the acoustical contract business and to concentrate on the production and sale of sound-control materials. This move transferred application of acoustical products to independent contractors throughout the United States and substantially increased the company's sales and profits in the growing acoustical materials market.

Increasing demand for fiber glass home insulation products dictated the curtailment of the mineral wool home insulation business. Some of the facilities for these products are now used to manufacture mineral wool for acoustical and other fire-resistant building products.

Asbestos, Key to Johns-Manville Sales

The company continued as a major producer and marketer of asbestos fibre, its basic raw material. Sales of asbestos fibre and fibre-containing products accounted for 51 percent of 1962 sales volume.

Shipments of asbestos fibre in 1962 set a new record even though overseas sales declined.

Asbestos operations are conducted by the Asbestos Fibre Division at three locations.

JEFFREY MINE, ASBESTOS, QUEBEC—This vast ore body, J-M's largest, improved its position as a principal free world fibre source. Many changes were made to improve capacity and lower costs at this location. Conversion from underground to open pit mining was completed in April. Development of new ore-handling equipment from mine to mill, together with improvements in ore processing methods, served to increase capacity and yield better quality fibre. Jeffrey Mine's fibre quality and the versatility of its facilities are prime factors in making asbestos and Johns-Manville synonymous around the globe.

MUNRO MINE, MATHESON, ONTARIO—Producing a different type of asbestos fibre from that obtained at Jeffrey, Munro mined, milled and shipped the largest tonnage and highest quality fibres in its history. The natural configuration of this ore body lends itself to underground mining rather than open pit operation. Munro fibres are particularly in demand for those asbestos-cement processes requiring superior filtration properties.

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COALINGA MINE, COALINGA, CALIFORNIA— This new mine and mill facility was opened early in 1962 and fibre shipments commenced in April. Asbestos produced from this mine is a high grade, light color, short fibre, especially suited for the manufacture of vinyl and asphalt flooring products.

Efficient operation and ownership of extensive ore reserves give assurance that Johns-Manville will successfully compete with other asbestos producers throughout the world.

Building Is BIG Business

Much of J-M's business is geared to the construction industry, which in 1962 accounted for a total expenditure of more than $61 billion in the United States and $6.0 billion in Canada.

This industry — America's largest — includes new housing, industrial, commercial and military facilities, educational and institutional buildings, as well as utilities (light, gas, telephone, sewer and water systems).

J-M participates in all segments of this industry, as well as building maintenance and repair, which added another $22 billion to this growing market. Of particular importance to J-M was the increase in construction of public utilities, sewer and water systems, and industrial facilities.

Of total company sales, 61 percent was for construction purposes and 39 percent for products and raw materials for industry. The 61 percent divided into three general classifications — only 15 percent went into the highly competitive new home construction market; 9 percent into maintenance and repair; 37 percent to other kinds and types of construction, including industrial facilities, utilities, sewer and water systems.

Building Ahead with Research

Research has been and continues to be a vital element in Johns-Manville's growth, stability and industry position. Within the first three years of the 1960 decade, the company has made remarkable forward strides as a result of its research and development activities. Of the $392.8 million sales in 1962, $40 million was directly attributable to the creation of new products introduced since 1959. These innovations embraced all basic product lines. Normally a new product initiated by research requires considerable time—often five



Joining a select group of only nine members, Casper Impellizeri (left) is inducted as a member of the J-M Half Century Club. Making the award is Vice President Don L. Hinman. Looking on approvingly are Robert E. Parry, Manville Quarter-Century Club chapter president, and A. O. Smith (right), Assistant Vice President.

MTC 002056

years—to make its full impact upon a given market.

Several of the newly developed products include: Last-O-Roof®, PVC (poly vinyl chloride) panels and pipes, and Spinsulation®.

LAST-O-ROOF®—Few people are aware of the complexities of built-up roofing systems, but most are aware of the revolutionary changes taking place in the design and shape of new construction.

Last-O-Roof readily adapts to meet the new and extreme shapes that today's architects conceive. It employs the latest roofing materials. The ... polymer of isobutylene, specially developed to ... markable durability. Special J-M adhesives are used to hold roofing materials firmly in place, and color is added as an integral part of the roofing application. This unique material can be quickly applied under extreme weather conditions. It has unusual life expectancy, judged by the results of practical outdoor applications and the severe tests prescribed by the American Society for Testing and Materials, which indicate a life in the 30- to 40-year range.

Though Last-O-Roof was essentially created for the vast industrial, commercial and institutional markets, its suitability to residential construction has been given encouraging consideration by architects and designers.

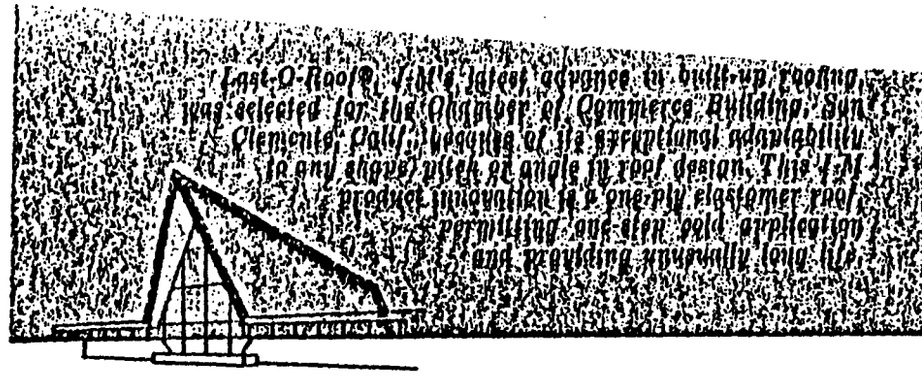
PVC PANELS AND PIPES—Plastics and plasticizers have long been in J-M's family of materials. In 1962, rigid poly vinyl chloride was added for the production of small diameter pipes and structural panels.

The pipes are especially designed for water and irrigation systems, natural gas, oil, industrial process lines and elec-



Safety from extreme temperatures was assured for America's world-orbiting astronauts by Min-K® and other super insulations developed by J-M Research. Thermoflex® on a cutaway section of a space vehicle is pointed out by Dr. Sidney Speil, J-M Research at McDonnell Aircraft's St. Louis plant. Min-K and Thermoflex on Mercury and Gemini spacecraft serve as dramatic evidence of J-M's long-established leadership in insulations.

MTC 002057





trical conduits. The structural panels are for commercial, industrial and home construction. They are decorative and available in a wide range of colors.

A separate research unit works closely to follow and test each new plastic developed by the chemical industry. This provides assurance that the company will be in a position to take advantage of these new developments which are rapidly gaining in importance to the construction industry.

SPINSULATION®—The demand for improved home insulation, coupled with a distributor-user need for space-saving packaging, sparked company researchers to develop an entirely new fiber glass product—Spinsulation.

Compression packaging permits storage of more Spinsulation in a warehouse space unit than any other fiber glass home insulation on the market. It also provides for lower handling and trucking costs for distributors and users.

Spinsulation now replaces mineral wool home insulation, in which J-M pioneered, and augments the company's wide range of quality fiber glass products.

Litigation

In June 1962 the Corporation, as well as an officer and an employee of the Corporation, were among those indicted for alleged violations of the Federal antitrust laws. The Government also filed a civil suit in July 1962 against the Corporation and others. In both actions the defendants are charged with restraint of trade and attempted monopolization in the manufacture and sale of asbestos-cement pipe and couplings. All defendants have pleaded not guilty to the criminal charges and the Corporation has filed its answer in the civil action denying the allegations of the complaint. The Corporation and the individual defendants associated with it intend to defend themselves vigorously against these charges.

Building Abroad

Johns-Manville's activities in overseas markets, particularly the European Common Market, continued profitable and extensive. Sales to these markets of J-M's United States

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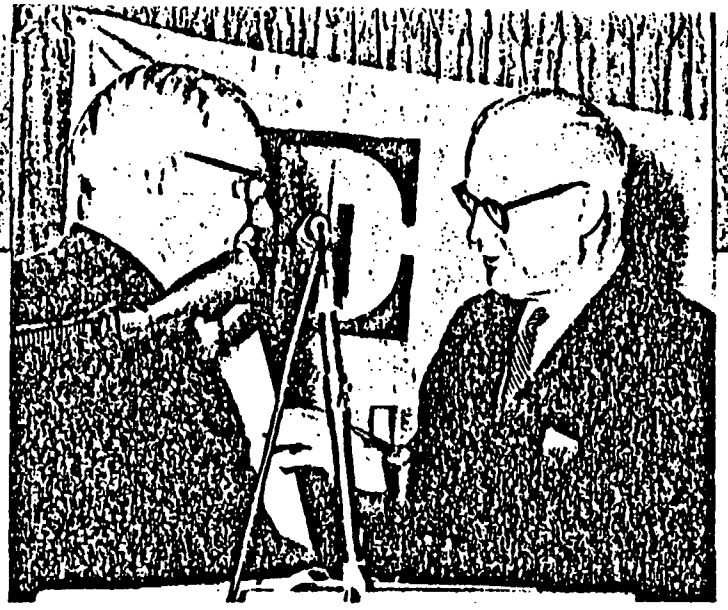

President Kennedy's "E" Award for J-M's significant contribution to the country's export effort is presented to Vice President Roger Hackney (right) by Luther H. Hodges, Secretary of Commerce.

and Canadian manufactured products increased 12 percent over 1961.

Sales effort in overseas countries was strengthened by instituting three sales organizations. One directs market activity in Europe, Africa, and the Middle East; another in South and Central America; and the third, the Far East. New sales offices were opened in Madrid, Spain; Goteborg, Sweden; Lagos, Nigeria; Beirut, Lebanon; Hong Kong; Panama City, Panama; and San Juan, Puerto Rico.

Organization

Kenneth W. Hufline, Vice President for Production, retired December 31, 1962, after 38 years with the company.

John M. Keenan, Jr. and William L. VanDerbeek, both Vice Presidents of Johns-Manville Fiber Glass Inc., were appointed Operations Managers for the Fiber Glass Division. Mr. Keenan directs the division's Textile Department and Mr. VanDerbeek, the Insulations Department. Both appointments were effective May 1, 1962.

Reginald L. Johnson, Director of Advertising and Public Relations, elected to retire early. He was succeeded by Faustin J. Solon, Jr., who had been Assistant Director.

J-M's Business Builders

Johns-Manville's men and women, 20,200 of them, are dedicated to building sales and profits in each of the company's separate businesses.

Management in all divisions and at all levels is a part of the management development program, which saw 111 promotions to key positions during the year. In support of this program, 125 managers from sales, finance, production, research, marketing and other staff functions completed internal management training courses.

Sales training continued with more emphasis on customer service in all divisions.

The year saw a marked step-up in J-M's skill development program, a systematic approach to the transfer of skills in industrial and maintenance operations. This program is headquarters directed and currently implemented

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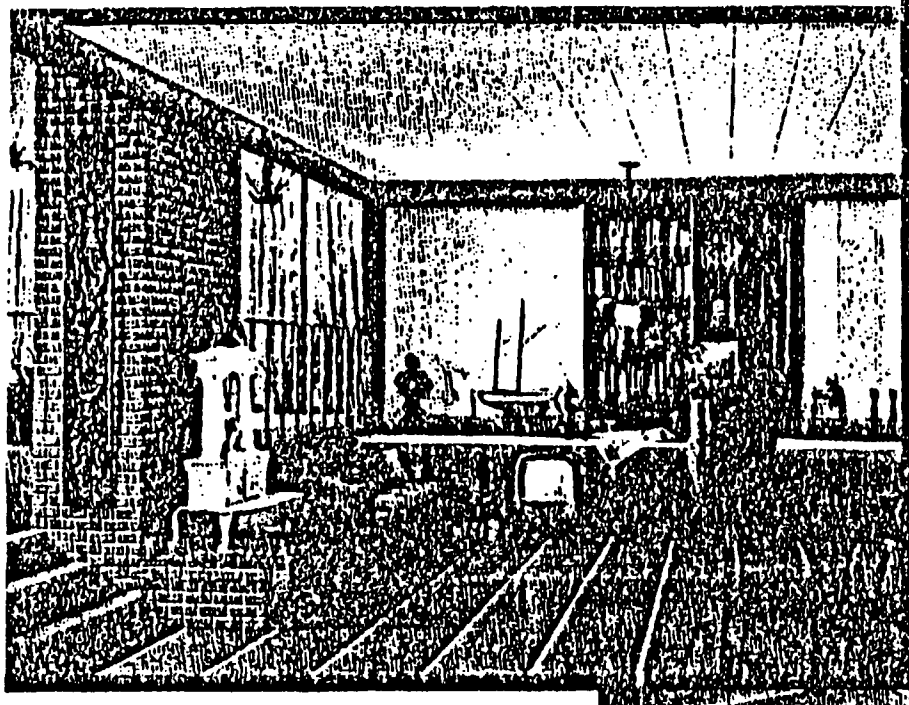
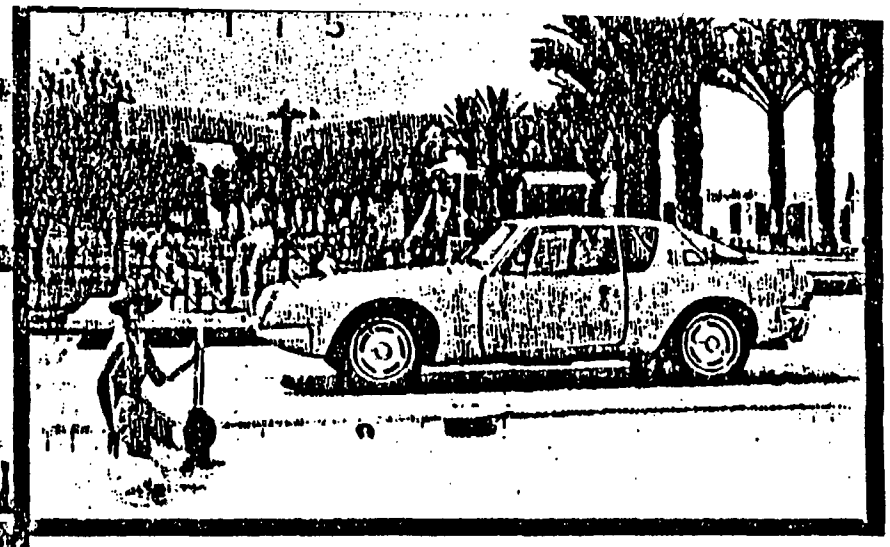
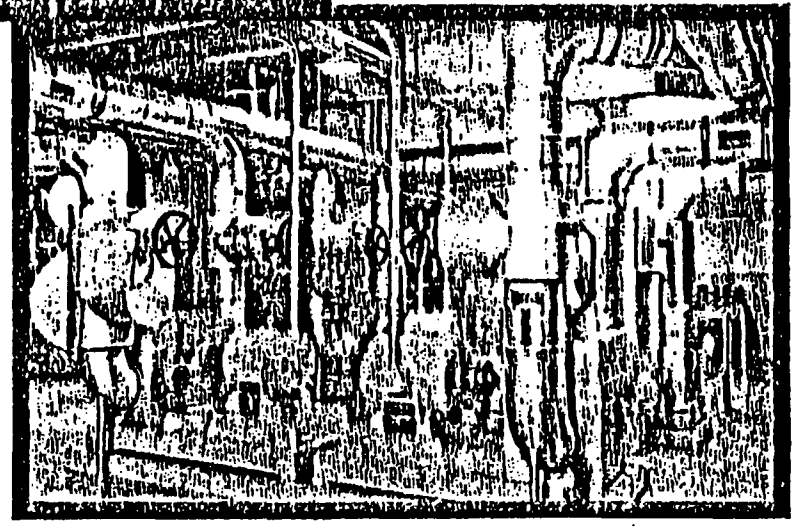


The graceful design and soft, subtle coloring of Johns-Manville Tumbleweed Acoustical Ceilings accented by the rich warmth and beauty of its Natural Wood Terraflex® floor gives this cheerful family room a bright, fun-to-live-in look.



Johns-Manville furnishes fiber glass to reinforce the plastic body of Studebaker's new Avanti. This high performance GT coupe, aerodynamically designed by Raymond Loewy, features such engineering touches as front wheel disc brakes, padded roll-bar in the roof, 4-speed gear box, and tachometer.



J-M's high temperature Metal-On® insulation is good to look at as well as being an extremely efficient thermal barrier. Made possible through metal-working techniques developed by Johns-Manville for the aerospace industry, Metal-On conserves energy and adds gleaming distinction to pipelines throughout the process industries.

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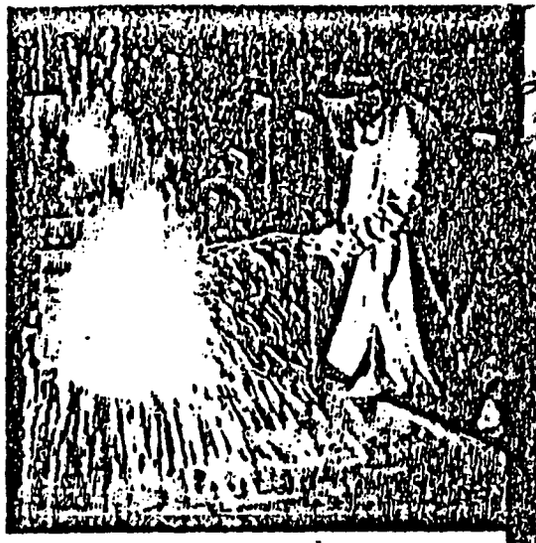
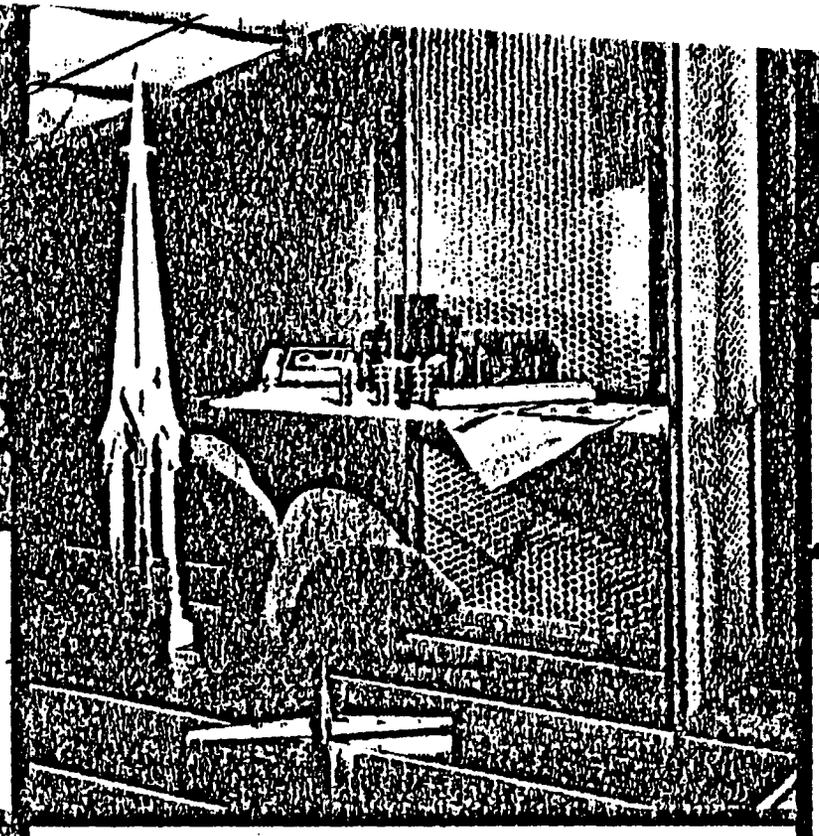
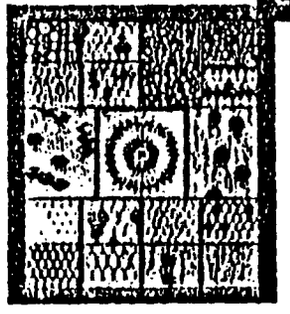
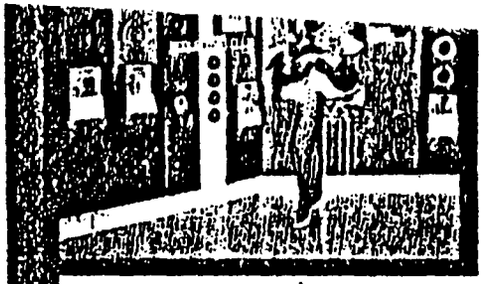


J-M's "Consumable Hot Top" program, under development by research scientists, is an ingenious method of insulating top of ingot mold to improve quality, increase yield of steel. Photo shows test pouring of molten steel under simulated mill conditions.





The display above illustrates the effect of height and spaciousness that can be created with the new 3-dimensional Acousti-Shell "lay-in" ceiling panels. To the left is a striking example of the wide choice of patterns and colors which can be achieved with new J-M Corrulux Honey-Corr.



This colorful J-M Exhibit Booth featured Dutch Brand pressure-sensitive tapes at the recent National Packaging Exposition in New York City's Coliseum.



Helping a California community grow is the role of this large-diameter Transite® pipe. "The white pipe" fulfills the basic need for water, helping to provide it economically for water districts, engineers and contractors.

MTC 002061

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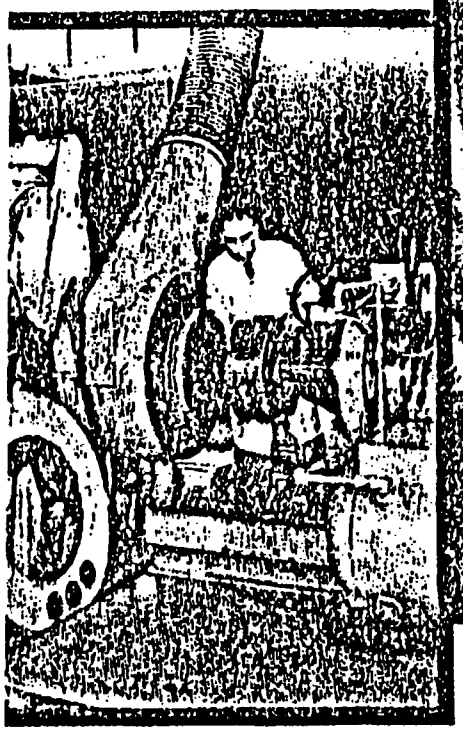
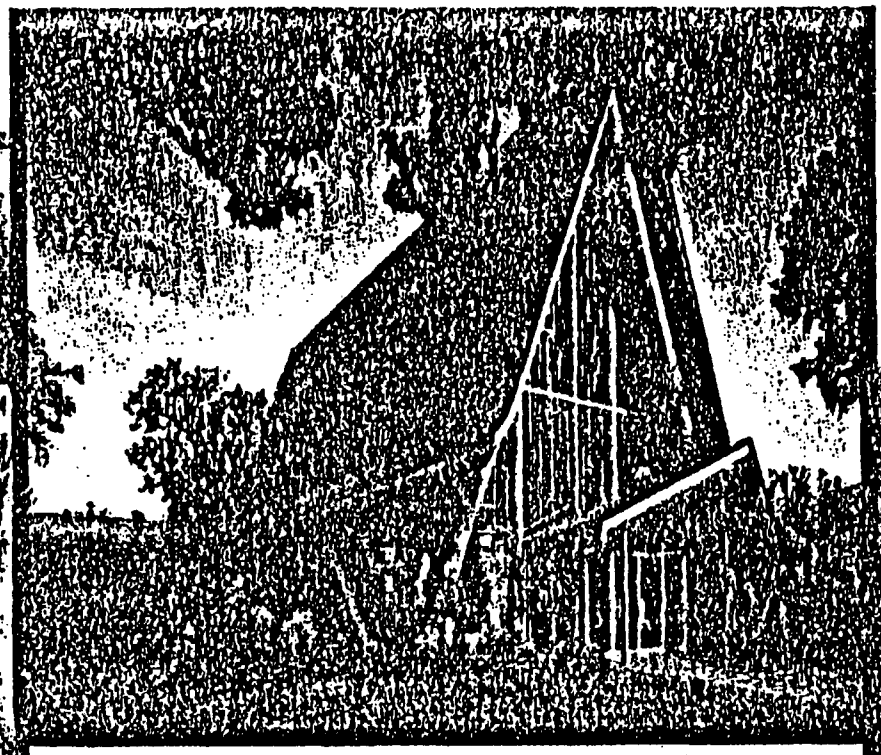
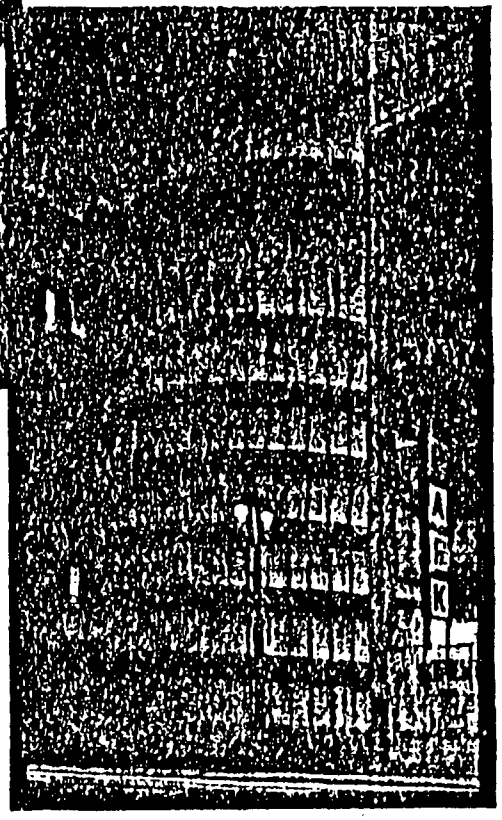


This giant 200-ton unit in the J-M Research Center is the largest inertia dynamometer ever built for testing friction materials. It is setting new standards for measuring and evaluating the effectiveness of brake linings and clutch facings. In a few hours it can reproduce the identical effects of months and years of on-the-job performance.



J-M American Colonial® Roof Shingles were selected for the chapel of the Holy Spirit in New Orleans. Their deep-grooved texture and rich color enhance the distinctive design of the chapel and the adjoining parish hall. Each Golden Bronze shingle is a rigid, asbestos-cement strip, large in size for quick and easy application. The shingles are self-aligning and self-spacing.

Panels that glow by night and sparkle by day. This parking garage in downtown Milwaukee is distinguished by a translucent helix in which automobiles spiral to various levels. This effect is achieved by Corrulux Fiber Glass Panels placed between the concrete ramps.



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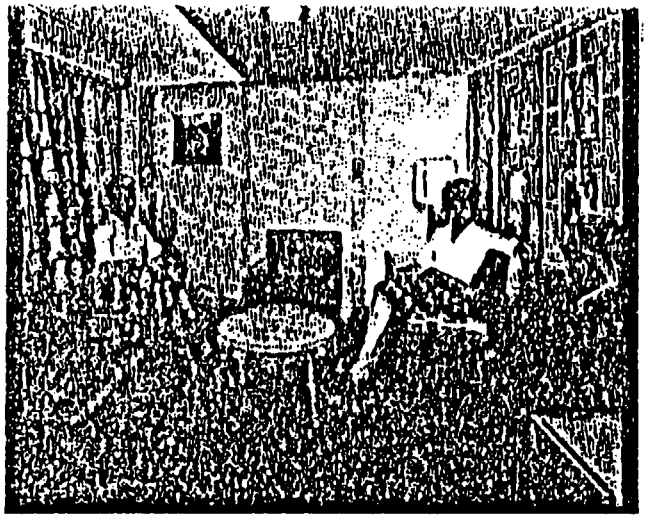




In California's "White Hills", at Lompoc, California are J-M's diatomite mine and mill, source of the company's Celite® Products.



The J-M Pipe-Mobile brings a testing laboratory direct to potential customers. On continuous tour, this trailer display has proved an important tool for the Pipe Division's sales organization.



From the standpoint of safety, brake linings are the most important parts in an automobile. Here a service mechanic demonstrates to a car owner just how J-M Asbestos Brake Lining is applied to brake shoes. J-M Lining is used on many new cars and there is an exact replacement J-M set for every passenger car, bus or truck on the road.

MTC 002063

by 17 training engineers, 16 of whom are either experienced industrial engineers or production supervisors.

Interest and participation in the company's tuition payment plan was high. There were 456 employees enrolled in accredited outside courses, 158 of whom were working toward baccalaureate or advanced degrees.

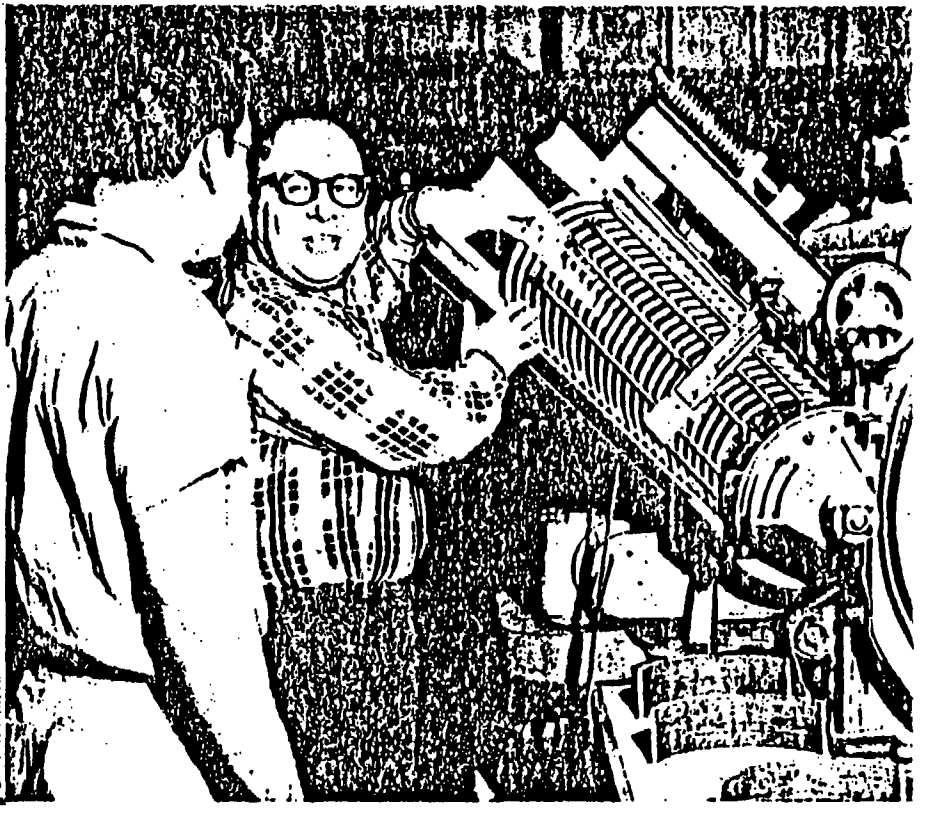
The Johns-Manville Quarter Century Club, which provides recognition for long service employees, inducted 296 members in 1962. At year-end there were 2,317 active and 925 retired Quarter Century Club members and nine retired members of the select Half Century Club.

Accident prevention over the years has placed the company in the industrial forefront in terms of employee safety. Two locations set enviable records, each exceeding 2 million man-hours without a disabling accident. Asbestos plant's record covered the period from September 10, 1959 through 1962. Lompoc mine and mill's safety record began December 1, 1960. Chicago plant passed the 1-½ million man-hour mark and seven other plants exceeded the 1 million man-hour mark without disabling accidents.

Emphasis on employee health and industrial hygiene continued. Three new industrial hygiene laboratories were built and equipped to study working environments at all plant and mine locations. Evaluation of work environment is essential to protect the health of employees.

The company had 43 labor agreements in force, 11 of which were renegotiated during the year, two for three-year periods and the other nine for two-year terms. Labor-management relations continue to be based on mutual respect and fair dealings.

During the year 208 employees retired under the provisions of the United States and Canadian retirement plans. At the end of the year 1,652 men and women were receiving retirement incomes from funds created by both employee and company contributions.



Skill development in action at Waukegan plant — Brake Lining Foreman John Szoyndelski (right) takes Maura Chapa through a step in the double-edge grinder operation.

MTC 002064

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J-M PRODUCT LINES

- Acoustical Products
- Admixtures for Concrete
- Aluminum Sidings
- Asbestos Boards
- Asbestos Felts
- Asbestos Fibre
- Asbestos Paper
- Asbestos Shingles and Siding
- Asbestos Textiles
- Asphalt Roofings and Other Asphalt Products
- Automotive and Industrial Brake Linings and Other Friction Materials
- Celite® (Diatomite) Filter Aids, Fillers, Insulations and Synthetic Silicates
- Corrulux® Fiber Glass Reinforced Plastic Panels
- Electrical Insulations
- Fiber Glass Textiles
- Floor Tile — Vinyl Asbestos and Asphalt
- Gypsum Wallboard and Plaster
- Home Insulations
- Industrial Fiber Glass and Mineral Wool Insulations
- Industrial Insulations — High and Low Temperature
- Insulating Board
- Insulating Fire Brick
- Insulating and Refractory Cements
- Movable Asbestos Walls
- Packings and Gaskets
- Perlite Insulations, Fillers and Filter Aids
- Rubber Products
- Tapes — Cloth, Plastic and Paper
- Transite® (Asbestos-Cement) and Plastic Pipes

OPERATING FACILITIES

Plants

Alexandria, Indiana
Asbestos, Quebec
Avery, Ohio
Billerica, Massachusetts
Chicago, Illinois
Chillicothe, Ohio
Cleveland, Ohio
Corona, California
Defiance, Ohio
Carpenter Road
Defiance, Ohio
Columbus Avenue
Defiance, Ohio
Perry Street
Denison, Texas
Fort Worth, Texas
Franklin, Pennsylvania
Houston, Texas
Hull, England
Jarratt, Virginia
Joliet, Illinois
Lompoc, California
Long Beach, California
Los Angeles, California
Madison, Illinois
Manville, New Jersey
Marrero, Louisiana
Mexico City, Mexico
*Milan, Italy
*Mol, Belgium
Nashua, New Hampshire
Natchez, Mississippi
New Brunswick, New Jersey
North Bay, Ontario
Parkersburg, West Virginia
Pittsburg, California
Richmond, Indiana
Rockdale, Illinois
St. Marcellin, France
Savannah, Georgia
Stockton, California
Tilton, New Hampshire
Toronto, Ontario
Waterville, Ohio
Waukegan, Illinois
Zelienople, Pennsylvania

Mines

Asbestos, Quebec
*Coalinga, California
Lompoc, California
Munro, Ontario
No Agua, New Mexico

Research and Engineering Center

Near Manville, New Jersey

Fiber Glass Research and Technical Center

Waterville, Ohio

*Majority Owned

MTC 002065

	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	Tot
Sales	$392.3	377.8	365.2	377.6	331.7	308.3	310.4	284.7	253.2	252.6	$3,253.8
Earnings Before Income Taxes	$43.8	43.0	49.9	55.7	42.2	31.2	46.2	43.7	29.8	36.4	$421.9
Income Taxes	$19.9	19.1	23.4	24.1	18.8	13.4	21.2	20.2	13.1	16.7	$189.9
Net Earnings	$23.9	23.9	26.5	31.6	23.4	17.8	25.0	23.5	16.7	19.7	$232.0
Earnings per Share†	$2.81	2.81	3.12	3.74	2.83	2.48	3.79	3.68	2.62	3.10	$30.98
Percentage of Earnings to Sales	6.1%	6.3	7.3	8.4	7.0	5.7	8.0	8.3	6.6	7.8	7.1%
Dividends	$17.0	17.0	17.0	16.7	14.3	14.3	15.0	13.6	13.5	13.5	$151.9
Dividends per Share†	$2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.12½	2.12½	2.12½	$20.63
Investment	$287.2	283.6	275.7	265.4	245.5	210.2	208.2	166.3	154.6	150.8	
Percentage of Earnings to Investment at Start of Year	8.4%	8.7	10.0	12.4	11.1	8.6	15.0	15.2	11.1	13.7	
Capital Expenditures	$18.0	21.8	22.9	17.1	12.9	45.7	26.1	18.3	20.2	21.6	$224.6
Depreciation & Depletion	$19.6	16.9	16.6	16.6	15.6	14.5	13.6	12.6	11.7	10.2	$148.5
Research Development & Engineering Expense	$11.3	11.4	10.1	8.5	7.7	8.5	7.5	6.7	6.1	6.2	$84.0
Book Value per Share†	$33.71	33.30	32.47	31.32	29.63	29.35	28.84	25.97	24.30	23.77	
Shares Outstanding at End of Year†	8,519,900	8,517,813	8,490,038	8,474,214	8,283,192	7,163,006	7,148,723	6,404,126	6,363,060	6,344,168	
Stockholders	30,500	29,400	28,600	30,100	23,800	20,000	19,200	15,100	14,200	14,100	
Employees	20,200	21,200	21,000	22,000	21,800	21,700	21,300	20,500	20,000	20,000	
Wages, Salaries & Employee Benefits	$151.9	150.3	146.3	145.9	135.7	130.9	127.5	116.8	106.2	104.0	$1,315.5

†Adjusted for 1959 stock split
††On average shares outstanding

MTC 002066

1962
$ 17,585,000
44,980,000
66,619,000
48,119,000
177,303,000
16,554,000
6,427,000
13,624,000
19,760,000
56,365,000
120,938,000
322,032,000
175,675,000
146,357,000
3,187,000
2,069,000
3,402,000
17,152,000
25,810,000
293,105,000
2,000,000
3,895,000
5,895,000
$287,210,000
$119,515,000
167,695,000
$287,210,000

MTC 002067

1962
$392,345,000
285,372,000
66,570,000
351,942,000
40,403,000
3,374,000
43,777,000
19,850,000
23,927,000
164,240,000
1,311,000
189,478,000
17,032,000
4,751,000
$167,695,000

Notes

1. Par value of common stock is $5 per share. Of 26,000,000 shares authorized, 8,819,800 shares were issued at December 31, 1962.

2. At December 31, 1962, 884,978 shares were reserved for issuance under the employees' stock purchase and deferred compensation plans. The Corporation presently intends to purchase in the open market or otherwise all shares of common stock necessary to meet its obligations under these plans.

   At December 31, 1962, an additional 151,569 shares are reserved for issuance in connection with the incentive stock option plan. At January 1, 1962 options outstanding for 62,051 shares at prices ranging from $37.82 to $63.00 per share were unexercised. During 1962 options were granted for 68,515 shares at $57.00 per share, options on 2,287 shares were exercised at prices ranging from $37.82 to $53.00 per share, and options on 1,844 shares expired. At the end of 1962 options on 127,635 shares were unexercised and 23,921 shares were available for further options.

3. Depreciation and depletion charged to operations amounted to $19,606,000 in 1962, $16,984,000 in 1961. Depreciation was increased in 1962 by approximately $8,100,000 resulting from adoption of the new guidelines approved by the U. S. Treasury.

See Accountants' Report on inside back cover

MTC 002068

JOHNS-MANVILLE DIVISIONS



ASBESTOS FIBRE

KARL V. LINDELL
Chairman
Canadian Johns-Manville Company, Ltd.

Johns-Manville's Asbestos Fibre Division is engaged in world-wide exploration, acquisition, mining and milling of asbestos fibre. It is also responsible for fibre sales in North America and serves free-world markets through the International Division. The division operates three mines and supplies fibre for all J-M plants manufacturing asbestos products. These mines are at Asbestos, Quebec; Matheson, Ontario; and Coalinga, California. Advocate mine at Baie Verte, Newfoundland will be in operation during 1963. Asbestos, the magic mineral, upon which the enterprise was built, is still the basic raw material upon which a large share of the future depends. J-M's fibre needs are assured for many decades to come.



BUILDING PRODUCTS

FRANCIS E. DUTCHER
Vice President
Johns-Manville Corporation

Operating entirely within the United States, the Building Products Division produces some fifty basic product lines in fifteen plants strategically located for fast customer service. It provides farm, residential, industrial, commercial and institutional construction and modernization markets with materials for structural, protective and decorative purposes. Architects, builders, engineers and home-owners accept Johns-Manville building materials as the standard of excellence and use J-M trade names in many specifications. Some of these familiar names are — Seal-O-Matic® shingles, Fesco® Board, Corrulux®, Transite®, Flexboard®, and Rock Shake® siding shingles. The division is a large user of asbestos fibre, diatomite and perlite. It operates woodlands in Mississippi and Virginia for woodpulp used in its full line of insulating board products.



CANADIAN PRODUCTS

ALFRED G. SINCLAIR
President
Canadian Johns-Manville Company, Ltd.

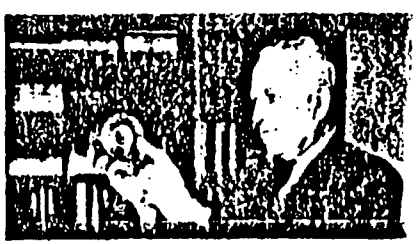
The Canadian Products Division sells the same products in Canada and overseas as are sold by United States divisions. Its three plants in Asbestos, Que., North Bay and Toronto, Ont., are both managed and manned by Canadians, who manufacture 93 percent of division sales. Headquarters are in Port Credit, Ont., in the Greater Toronto area.



CELITE

CARLTON J. O'NEIL
Vice President
Johns-Manville Products Corporation

The Celite Division operates a diatomite mine and mill in Lompoc, California, and a perlite deposit and mill in No Agua, New Mexico. These non-metallics are refined for use as filter media for foods, beverages, water and chemicals, as extender pigments and flatting agents in paints and as carriers in industrial processes. Diatomite (Celite®) and perlite are raw materials in many Johns-Manville products.



DUTCH BRAND

EDWARD H. WELLS
Vice President
Johns-Manville Sales Corporation

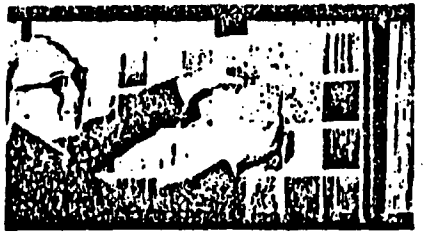
Two plants, one in Chicago, another in Tilton, New Hampshire, make the specialized Dutch Brand lines. The division markets pressure-sensitive tapes for electrical, industrial and home use, adhesives, rubber and cork products, and highly refined dielectric asbestos papers and board for the electric and electronic industries' exacting needs.

MTC 002069



WILLIAM L. VANDERBEEK
Vice Presidents
Johns-Manville Fiber Glass Inc.

The Johns-Manville Fiber Glass Division has two operating departments. One produces insulations sold by other divisions. The other manufactures and markets textile fiber glass and plastic reinforcement materials. Fiber Glass has six plants and a complete research and technical center devoted entirely to this dynamic new Johns-Manville business.



FLOORING

ALBERT K. HIGBEE
Vice President
Johns-Manville Products Corporation

Newest of Johns-Manville's eleven divisions, the Flooring Division was established January 1, 1962. It was created by separating from the Building Products Division the sales, production and marketing units in the extremely competitive resilient flooring business. The division's four plants produce vinyl-asbestos and asphalt-asbestos tile flooring in a wide line of colors and styles, fully accepted by architects, designers and home-owners.



INDUSTRIAL INSULATIONS

JOHN B. JOHR
Vice President
Johns-Manville Sales Corporation

Seven Industrial Insulations Division plants manufacture insulations used by almost every type of industry—insulations to cover the entire heat spectrum. Some withstand heat of re-entry from space, some protect at mid-range and others are for cryogenic (extremely low) temperatures. The division is active in aero space projects.

DUDLEY T. COLTON
Vice President
Johns-Manville International Corporation



Production and sales outside the United States and Canada are the responsibility of the International Division which operates throughout the free world. It has five plants in Belgium, England, France, Italy, and Mexico. In addition, it has a variety of licensing and technical assistance agreements with 59 companies operating 70 plants in 22 countries.

PACKINGS and FRICTION MATERIALS

CLARENCE C. SIMONI
Vice President
Johns-Manville Sales Corporation



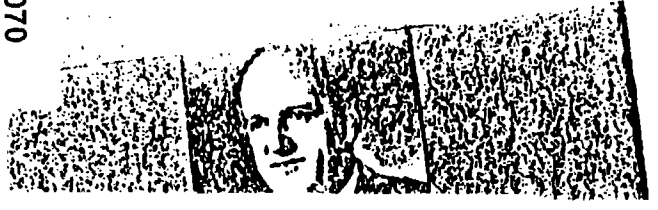
The Packings and Friction Materials Division produces and sells packings, gaskets, asbestos textiles, brake linings and blocks and clutch facings. It serves the original equipment and replacement markets in the automotive, industrial, chemical, aircraft, rail, appliance and process fields. The division's three plants are in New Brunswick and Manville, New Jersey, and Waukegan, Illinois.

PIPE

ROBERT F. ORTH
Vice President
Johns-Manville Corporation



The Pipe Division's plants manufacture both asbestos-cement (Transite®) and plastic pipes for home, farm and turf irrigation, public works, water and sewer systems, industrial and process applications. The public works market is generally sold on a direct basis, while most other users are sold through distributors in principal market areas.



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JOHNS-MANVILLE
CORPORATION
22 EAST 40TH STREET
NEW YORK 16, N. Y.

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