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OWENS-CORNING

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COVERING NEW YORK,
AMERICAN & REGIONAL
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INTERNATIONAL COMPANIES

MOODY'S®

INDUSTRIAL MANUAL

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Co. also leases facilities throughout the United States to house Contracting Division operations in 23 cities, Supply Division warehouses in 65 cities and Sales Offices in 84 cities. In a number of cities, two or more such facilities are grouped on the same premises, with the principal ones under long-term lease.

Co. owns approximately 800 acres of land outside Granville, O., which is occupied by twelve buildings. These buildings together with eight other accessory buildings and a 15,000 sq. ft. warehouse, comprise a total of approx. 652,000 sq. ft. of floor space.

American Borate Co. owns ore bodies and mines containing colemanite and probertite in Inyo County, California, with estimated probable reserves of 31,000,000 tons. The American Borate Co. has a processing plant at Lathrop Wells, Nevada, and a grinding, blending, and shipping plant at Dunn, California.

MANAGEMENT

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Directors

(Showing Principal Corporate Affiliations)
Charles A. Anderson, Dir. & former Pres., SRI International.
Fowler Blauvelt, Exec. Vice-Pres., Owens-Corning Fiberglas Corp.
William W. Boeschstein, Pres. & Chief Exec. Off., Owens-Corning Fiberglas Corp.

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Richard W. Muzzy, Exec. Vice-Pres., Owens-Corning Fiberglas Corp.
Charles E. Peck, Exec. Vice-Pres., Owens-Corning Fiberglas Corp.
Robert V. Roosa, Partner, Brown Brothers Harriman & Co.

Auditors: Arthur Andersen & Co.

Shareholder Relations: Harry G. Kaminer, Treasurer, Donald W. MacDonald, Asst. Treasurer. Tel: (419)248-8279.

Director Meetings: Fourth Thursday of Jan., and third Thursday of Mar., Apr., June, Aug., Oct., Dec.

Annual Meeting: Third Thursday in Apr.

No. of Stockholders: Dec. 31, 1980, 12,888.

No. of Employees: 1980 (average), 24,000.

General Office: Fiberglas Tower, Toledo, OH 43659. Tel: (419)248-8000.

INCOME ACCOUNTS

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31 (Taken from reports filed with the Securities and Exchange Commission)

	1980	1979	1978	1977	1976	1975	1974
Net sales	2,285,067	2,245,164	1,853,101	1,480,454	1,079,227	884,936	828,482
Other	28,052	19,279	20,876	17,316	18,788	13,191	11,808
Total revenues	2,313,119	2,264,443	1,873,977	1,497,770	1,098,015	898,127	840,290
Cost of sales	1,851,734	1,734,013	1,354,437	1,065,862	786,374	671,533	650,581
Marketing & administrative exp.	251,060	222,350	186,487	152,802	124,099	98,745	93,152
Research & development expenses	39,514	33,478	25,179	19,895	15,221	15,447	15,153
Other technical service expenses	18,764	15,577	13,763	9,659	8,566	6,978	6,292
Cost of borrowed funds	32,715	22,164	13,151	12,602	13,394	14,319	11,433
State & local inc. & franchise taxes	6,845	12,960	16,248	12,086	8,338	4,829	3,061
Cash discounts	20,553	20,909	17,849	13,440	8,448	6,289	6,060
Foreign currency exchange loss	164	2,577	1,778	2,001	1,697	cr1,960	3,003
Other expenses	38,604	21,707	16,744	12,177	7,527	5,565	4,983
Income bef. national inc. taxes & equity in net inc. of affiliates	53,166	178,708	228,341	197,246	124,351	76,382	46,572
Current national income taxes	15,123	64,400	97,846	82,659	55,618	30,256	14,905
Deferred national income taxes	cr4,509	8,173	7,104	7,984	1,513	4,845	5,873
Inc. bef. equity in net inc. of affil.	42,552	106,135	123,391	106,603	67,220	41,281	25,794
Equity in net income of affiliates	11,769	3,131	6,948	5,909	4,553	522	7,039
Net income	54,321	109,266	130,339	112,512	71,773	41,803	32,833
Retained earnings, beg. of year	622,339	549,611	445,079	349,881	292,622	263,914	244,174
Less common cash dividends	36,703	36,538	25,807	17,314	14,512	13,095	13,093
Retained earnings, end of yr.	639,957	622,339	549,611	445,079	349,881	292,622	263,914
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	139,891	129,031	101,666	79,522	61,189	55,814	54,542
Depreciation & amortization	109,820	90,100	62,787	50,506	47,290	43,873	33,438
Taxes, other than national inc.	63,494	68,011	59,296	48,519	37,303	28,901	27,496
Rents	36,309	30,056	22,750	16,748	14,612	14,161	13,862
Advertising expense	24,741	22,472	15,205	13,481	11,498	8,886	8,726
Includes related portions of items shown under Supplementary P. & L. Data, below statement.							
Company had adopted the provisions of Financial Accounting Standards Board Statement No. 8 in 1975 and has charged to income all foreign currency exchange gains and losses. Such gains and losses previously had been deferred and amortized to income over the life of the long-term debt used to finance foreign plant and equipment. The financial statements have been restated to reflect such gains and losses in income in the year incurred.							
Includes social security taxes (1980, \$41,960,000).							
Consolidated Statement of Changes in Financial Position, years ended Dec. 31 (in \$000):							
	1980	1979					
Cash & securities, beg. of year	53,070	34,165					
Sources of Cash:							
Net income	54,321	109,266					
Deprec. & amort.	109,820	90,100					
Record of Earnings, years ended Dec. 31 (in \$000):							
	Net Sales	Cost and	Balance	Other	Income	Income	Net
	& Revs.	Expenses		Deduct.	Bef. Taxes	Taxes	Income
1968	433,500	390,600	42,900	4,800	38,100	19,200	18,900
1969	492,200	437,200	55,000	7,700	47,300	23,600	23,700
1970	492,200	448,300	43,900	8,300	35,600	15,800	19,800
1971	541,600	490,900	50,700	8,600	42,100	19,500	22,600
1972	623,600	549,600	74,000	11,700	62,300	28,600	33,700
1973	739,560	644,242	95,318	22,535	72,783	33,845	38,938
1974	840,290	765,178	75,112	28,540	46,572	20,778	25,795
Adj. for 2-for-1 stk. split July 1970 and May, 1978.							
Before equity in net income of affiliates: 1968, \$1,300,000; 1969, \$2,400,000; 1970, \$2,000,000; 1971, dr\$1,100,000; 1972, \$3,400,000; 1973, \$5,454,000; 1974, \$7,093,000.							
See footnote (2) under Income Accounts above.							

BALANCE SHEETS

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31 (Taken from reports filed with the Securities and Exchange Commission)

	1980	1979	1978	1977	1976	1975	1974
ASSETS							
Cash	2,576	22,827	3,599	2,327	7,684	2,899	6,833
Time deposits	23,397	30,243	30,566	109,357	139,866	80,201	1,250

BALANCE SHEETS (Cont'd):

	1980	1979	1978	1977	1976	1975	1974
Marketable securities					18,492	14,902	3,006
Receivables	354,615	350,999	277,351	217,077	158,028	136,267	115,464
Inventories	162,789	186,057	153,608	122,375	80,217	81,337	88,342
Total current assets	543,377	590,126	465,124	451,136	404,287	315,606	214,895
Investments in affiliates	58,788	54,194	43,837	41,367	35,289	32,305	33,161
Prepaid expenses & other assets	52,076	38,206	32,331	27,555	22,107	19,811	18,985
Plant & equipment, at cost	1,499,463	1,343,939	1,118,078	884,844	729,879	699,206	665,983
Less accum. depreciation	619,874	524,853	449,594	396,417	354,820	317,011	281,156
Net plant & equipment	879,589	819,086	668,484	488,427	375,059	382,195	384,827
Total	1,533,830	1,501,612	1,209,776	1,008,685	836,742	749,917	651,868
LIABILITIES							
Short-term debt	20,749	130,104	44,686	9,572	8,476	10,231	17,970
Long-term debt—current portion	9,269	8,442	6,627	8,581	9,284	4,187	5,244
Accounts payable & accrued liab.	309,638	289,904	236,539	178,656	119,884	94,653	72,922
Accrued national income taxes	3,881	4,696	16,162	28,466	23,682	20,151	3,245
Dividends payable				4,524	3,749	3,274	3,274
Total current liabilities	343,537	433,146	304,014	229,799	165,075	132,496	102,655
Long-term debt	284,238	192,545	146,456	149,000	154,518	168,393	140,235
Reserve for rebuilding furnaces & reconditioning machines	36,412	41,137	32,542	26,503	23,795	20,254	16,098
Deferred investment credit	48,305	41,074	26,071	19,305	16,512	15,986	13,652
Deferred national income taxes	40,088	44,597	36,424	29,320	21,336	19,823	14,978
Advances on contracts	21,475	9,607					
Common stock (par \$1)	119,818	117,167	114,658	109,679	105,625	100,343	100,336
Retained earnings	639,957	622,339	549,611	445,079	349,881	292,622	263,914
Stockholders' equity	759,775	739,506	664,269	554,758	455,506	392,965	364,250
Total	1,533,830	1,501,612	1,209,776	1,008,685	836,742	749,917	651,868
Net current assets	199,840	156,980	161,110	221,337	239,212	183,110	112,240
PROPERTY ACCOUNT—ANALYSIS							
Additions at cost	175,972	184,329	246,260	99,380	43,721	43,820	92,316
Retirements or sales	19,887	21,580	13,026	11,766	11,801	10,597	11,271
Other changes	(561)	63,112		(87,351)	(1,247)		
DEPRECIATION							
RESERVES—ANALYSIS							
Additions charged to cost	109,820	90,100	62,787	50,506	47,290	43,873	33,438
Retirements or sales	14,799	17,470	9,610	8,909	9,481	8,018	7,851
Other changes		2,629					

① Less allowance for collection losses (1980, \$9,978,000).

② 1980 comprised of: Inventories, on first-in, first-out method—Finished goods, \$130,894,000; materials and supplies, \$100,560,000; Less—LIFO reserve for certain raw materials \$68,665,000; Total, \$162,789,000.

③ 1980 comprised of:

	Cost	Deprec.
Land	\$25,614,000	\$5,000
Bldgs. & leasehold improv.	317,547,000	125,379,000
Mach. & equip.	1,004,157,000	485,712,000
Mineral prop.	110,843,000	8,778,000
Construct. in prog.	41,302,000	

Total \$1,499,463,000 \$619,874,000

④ Restated in 1975 for accounting change. See footnote ② under Income Accounts, above.

⑤ For number of shares outstanding, see Statistical Record, below.

⑥ Assets acquired in purchase of Fry Roofing Co. and Trumbull Asphalt Co. on Apr. 20, 1977.

⑦ Includes subsidy received for addition to fixed assets at a plant in France, which is being amortized to income over the life of the assets.

General Notes

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

(b) Foreign Operations: Accounts of foreign subsidiaries and affiliates are maintained in

the currencies of the countries in which they operate. Accounts representing cash and amounts receivable or payable are translated to U.S. dollars at exchange rates prevailing at year-end. Other assets and liabilities are translated at exchange rates in effect when acquired or incurred. Revenue and expenses for each month generally are translated at the average rate of exchange in effect during the month. Foreign currency exchange gains and losses are reflected in income.

(c) Inventory Valuation: Inventories are stated at cost, (primarily using the last-in, first-out method), which is less than market value and include material, labor, and manufacturing overhead.

(d) Contracting operations: Revenues and related costs of contracting operations are recorded using the percentage-of-completion method of accounting. Percentage-of-completion is determined on contracts in progress based on total costs incurred and expected to be incurred.

(e) Investments in Affiliates: Investments in affiliates are accounted for using the equity method, under which 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.

(f) Depreciation: Substantially all of Co.'s plant and equipment is depreciated using accelerated methods. Generally, the double-de-

clining balance method is used for the first half of an asset's estimated useful life and the straight-line method is used thereafter.

(g) Reserve for Rebuilding Furnaces: Co.'s glass melting furnaces and related machines periodically require substantial rebuilding. The estimated future cost of such rebuilding is charged to income 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.

(h) Income Taxes: Certain income and expense items are reported in different periods for financial statements and for income tax determination. In addition, for financial statement purposes, investment tax credit on property additions is amortized to income over the useful lives of the assets to which it applies. The cumulative effect of noncurrent timing differences between amounts reported for financial statement purposes and for tax purposes is shown as deferred national income taxes and deferred investment tax credit on the balance sheet. Income taxes on the Company's share of equity in income of affiliates are provided at the higher of U.S. or appropriate foreign tax rates. Where the Company has permanently reinvested the earnings of its foreign subsidiaries outside the United States, no provision has been made for United States income taxes.

FINANCIAL & OPERATING DATA

Statistical Record	1980	1979	1978	1977	1976	1975	1974
Earned per share—common:							
Year-end shares	\$1.77	\$3.58	\$4.29	\$7.46	\$4.79	\$2.81	\$2.21
① Average shares	\$1.78	\$3.59	\$4.30	\$7.48	\$4.80	\$2.81	\$2.21
Dividends per share—common	\$1.20	\$1.20	\$1.30	\$1.10	\$0.94	\$0.88	\$0.88
Price range—common	32½-22¼	31-24½	33½-24½	73¼-58	66¼-42	45¼-25¼	51¼-25¼
Net tangible assets per sh.—common	\$34.93	\$31.62	\$27.64	\$36.79	\$30.38	\$26.41	\$24.48
Times charges earned:							
Before income taxes	2.99	9.20	18.89	17.12	10.62	6.37	5.69
After income taxes	2.66	5.93	10.91	9.93	6.36	3.92	3.87
Price range—deb. 6½s, 1994	80¼-65	88¼-75¼	92-88¼	91-81¼	91-81¼	82¼-78	89-72
—deb. 9½s, 2000		100-98	104-104			100-99	299¼-98¼
Net tang. assets per \$1,000 l.-t. debt	\$3,764	\$5,007	\$5,733	\$4,723	\$3,948	\$3,334	\$3,597
Net curr. assets per \$1,000 l.-t. debt	\$703	\$815	\$1,100	\$1,485	\$1,548	\$1,101	\$805
Year-end common shares	30,628,063	30,489,521	30,378,593	15,079,258	14,995,742	14,880,672	14,880,472
① Weighted average common shares	30,584,131	30,449,406	30,334,936	15,045,363	14,948,626	14,880,000	14,878,000

① As reported by Company. ② Bid prices. ③ After 2-for-1 split; before 66½-54. ④ Includes \$0.60 paid prior to 2-for-1 split.

Adjusted data for stock splits and stock dividends:

Earned per share—common	1980	1979	1978	1977	1976	1975	1974
On year end shares	\$1.77	\$3.58	\$4.29	\$3.73	\$2.39	\$1.40	\$1.10
On average shares	\$1.78	\$3.59	\$4.30	\$3.74	\$2.40	\$1.41	\$1.10
Price range—common	32.125-22.25	31.00-24.38	35.13-24.50	36.63-29.00	32.50-21.00	22.88-12.63	25.88-12.63
Net tangible assets per share—common	\$34.93	\$31.62	\$27.64	\$18.39	\$15.19	\$13.21	\$12.24
Number of shares—common							
At year end	30,628,063	30,489,521	30,378,593	30,158,516	29,991,484	29,761,344	29,760,944
Average shares	30,584,131	30,449,406	30,334,936	30,090,726	29,897,252	29,760,978	29,756,566
Financial & Operating Ratios							
Current assets—current liabilities	1.58	1.36	1.53	1.96	2.45	2.38	2.09
% cash & securities to curr. assets	4.78	8.99	7.35	24.76	41.07	31.05	5.16
% inventories to current assets	29.96	31.53	33.03	27.13	19.84	25.77	41.11
% net current assets to net worth	26.30	21.23	24.25	39.90	52.52	46.59	30.81
% property depreciated	41.34	39.05	40.21	44.80	48.61	45.34	42.22
% annual depr., etc. to gross prop.	7.32	6.70	5.62	5.69	6.48	6.27	5.02
Capitalization:							
% long term debt	27.23	20.66	18.06	21.17	25.33	30.00	27.80
% common stock & surplus	72.77	79.34	81.94	78.83	74.67	70.00	72.20
Sales ÷ inventories	14.04	12.07	12.06	12.10	13.45	10.88	9.38

FINANCIAL

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FINANCIAL & OPERATING DATA (Cont'd):

	1980	1979	1978	1977	1976	1975	1974
Sales — receivables	6.44	6.40	6.68	6.82	6.83	6.49	7.18
% sales to net property	259.79	274.11	277.21	303.11	287.75	231.54	215.29
% sales to total assets	148.98	149.52	153.18	146.77	128.98	118.00	127.09
% net income to total assets	3.54	7.27	10.77	11.15	8.58	5.57	5.04
% net income to net worth	7.15	14.78	19.62	20.28	15.76	10.64	9.01
Analysis of Operations							
Total revenues	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	80.05	76.58	72.28	71.16	71.62	74.77	77.42
Marketing & admin. expenses	10.85	9.82	9.95	10.20	11.30	11.00	11.09
Research & development expenses	1.71	1.48	1.34	1.33	1.39	1.72	1.80
Other technical service expenses	0.81	0.69	0.73	0.64	0.78	0.78	0.75
Cost of borrowed funds	1.41	0.98	0.70	0.84	1.22	1.59	1.36
State & local inc. & franchise taxes	0.30	0.57	0.87	0.81	0.76	0.54	0.37
Foreign currency exchange loss	0.01	0.11	0.09	0.13	0.15	0.22	0.36
Cash discounts	0.89	0.92	0.95	0.90	0.77	0.70	0.72
Other expenses	1.67	0.96	0.89	0.81	0.69	0.62	0.59
Inc. bef. national inc. taxes & equity in net inc. of affiliates	2.30	7.89	12.18	13.17	11.32	8.50	5.54
National income taxes	0.46	3.20	5.60	6.05	5.20	3.91	2.47
Inc. bef. equity in net inc. of affil.	1.84	4.69	6.58	7.12	6.12	4.59	3.07
Equity in net income of affiliates	0.51	0.14	0.37	0.39	0.42	0.06	0.84
Net income	2.35	4.83	6.96	7.51	6.54	4.65	3.91

LONG TERM DEBT

1. Owens-Corning Fiberglas Corp. sinking fund debenture 6 7/8, due 1994:

Rating—A

AUTH.—\$30,000,000; outstg., Dec. 31, 1980, \$18,874,000.

DATED—Feb. 1, 1969. DUE—Feb. 1, 1994.

INTEREST—F&A 1 to holders registered on 15th day prior to interest date.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Fully registered, \$1,000 and authorized multiples thereof. Interchangeable without service charge.

CALLABLE—As a whole or in part on at least 30 days' notice to each Jan. 31, incl., as follows:

1982 102,550 1983 102,231 1984 101,912
1985 101,594 1986 101,275 1987 100,956
1988 100,638 1989 100,319 1994 100,000

Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, each Feb. 1, beginning 1975, to retire debts, cash (or debts), equal to \$1,500,000; plus similar optional payments.

SECURITY—Not secured. Co. and restricted subsidiaries may not incur, assume or guarantee any secured funded debt without securing debts, equally and ratably, unless secured funded debt of Co. and restricted subsidiaries plus unsecured funded debt of restricted subsidiaries does not exceed 15% of consolidated net worth. Exceptions to the foregoing include certain transactions with subsidiaries; funded debt resulting from mortgage of property in favor of U.S. or instrumentality to secure certain payments, or; extensions of unrestricted secured funded debt or secured funded of restricted subsidiaries outstg. Feb. 1, 1969.

ADDITIONAL FUNDED DEBT—Co. and restricted subsidiaries may not create senior funded debt unless consolidated net tangible assets are at least 200% of such debt.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Dec. 31, 1968 plus net proceeds from sale of stock or debt converted into stock after such date plus \$25,000,000.

SALE & LEASEBACK—Co. may not effect sale and leaseback, for periods in excess of 24 months, of any plants or equipment owned and operated for more than 90 days unless fair value is received and net proceeds are applied to retiring debts, or other senior funded debt.

RIGHTS ON DEFAULT—Trustee, or 25% of debts, outstg. may declare principal due and payable (30 days' grace for payment of interest or sinking fund installment).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts, outstg.

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds for capital expenditures.

OFFERED—(\$30,000,000) at 99 1/2 (proceeds to Co. 98%) on Feb. 11, 1969 thru Goldman, Sachs & Co., Lazard Freres & Co. and White, Weld & Co. and associates.

2. Owens-Corning Fiberglas Corp. sinking fund debenture 9 1/8, due 2000:

Rating—A

AUTH.—\$50,000,000; outstg., Dec. 31, 1980, \$45,000,000.

DATED—Jan. 1, 1975. DUE—Jan. 1, 2000.

INTEREST—J&D 1 by mail, to holders registered J&D 15.

TRUSTEE—Citibank, N.A., NYC.

DENOMINATION—Fully registered, \$1,000 and any integral multiple thereof. Interchangeable without service charge.

CALLABLE—As a whole or in part at any time, on at least 30 but not more than 60 days' notice to each Dec. 31, as follows:

1981 106,125 1982 105,688 1983 105,250
1984 104,813 1985 104,375 1986 103,938
1987 103,500 1988 103,063 1989 102,625
1990 102,188 1991 101,750 1992 101,313
1993 100,875 1994 100,438

Not callable, however, prior to Jan. 1, 1985 thru refunding at interest cost less than 9.68% per annum. Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, each Jan. 1, 1981-99, cash (or debts) to retire not less than \$2,500,000 nor more than \$5,000,000 principal amount of debts. Sinking fund designed to retire 95% of issue prior to maturity.

SECURITY—Not secured. Co. nor any restricted subsidiary may not incur, assume or guarantee any debt secured by a mortgage on any principal property owned or leased by Co. or a restricted subsidiary or on any shs. of stock or debt of any restricted subsidiary, without securing or causing such restricted subsidiary to secure, the debts, equally and ratably with (or prior to) such debt, unless the aggregate amount of all such debt so secured together with all attributable actions involving principal properties owned debt in respect of sale and leaseback transactions involving principal properties owned or leased by Co. or a restricted subsidiary would not exceed 5% of consolidated net tangible assets of Co. and its consolidated subsidiaries. This restriction will not apply to debt secured by (a) mortgages on property of, or on any shs. of stock or debt of, any corporation existing at the time such corporation becomes a restricted subsidiary, (b) mortgages in favor of Co. or a restricted subsidiary, (c) mortgages in favor of U.S. governmental bodies to secure progress or advance payments, (d) mortgages on property, shs. of stock or debt existing at the time of acquisition thereof (including acquisition thru merger or consolidation), purchase money mortgages and construction cost mortgages and (e) any extension, renewal or refunding of any mortgage referred to in the foregoing clauses (a) thru (d), inclusive. The indenture will not restrict the incurring of unsecured debt by Co. or its subsidiaries.

SALE & LEASEBACK TRANSACTION—Co. nor any restricted subsidiary may not enter into any sale and leaseback transaction involving any principal property owned or leased by Co. or a restricted subsidiary, completion of construction and commencement of full operation of which has occurred more than 120 days prior thereto, unless (a) Co. or such restricted subsidiary could create debt secured by a mortgage on such property in an amount equal to the attributable debt with respect to the sale and leaseback transaction without equally and ratably securing the debts, or (b) Co., within 120 days, applies to the retirement of its funded debt an amount equal to the greater of (i) the net proceeds of the sale of the principal property leased pursuant to such arrangement or (ii) the fair value of the principal property so leased (subject to credits for certain voluntary retirements of funded debt). This restriction will not apply to any sale and leaseback transaction (a) between Co. and a restricted subsidiary or between restricted subsidiaries or (b) involving the taking back or a lease for a period of 3 yrs. or less.

RIGHTS ON DEFAULT—Trustee, or 25% of debts, outstg., may declare principal payable and due (30 days' grace for payment of interest or sinking fund installment).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts, outstg.

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds to repay the outstg. loan balance under Co.'s revolving credit agreement and for capital expenditures.

Funds not required immediately may be added to general funds of Co. or temporarily invested in short-term securities.

OFFERED—(\$50,000,000) at 99.25 (proceeds to Co. 98.375) on Dec. 19, 1974 thru Goldman, Sachs & Co., Lazard Freres & Co. and White, Weld & Co., Inc. and associates.

3. Owens-Corning Fiberglas Corp. sinking fund debenture 12s, due 2010:

Rating—A

AUTH.—\$100,000,000; outstg., Dec. 31, 1980, \$100,000,000.

DATED—May 1, 1980. DUE—May 1, 2010.

INTEREST—M&N 1 to holders registered A&O 15.

TRUSTEE—Citibank, N.A.

DENOMINATION—Fully registered, \$1,000 and any integral multiple thereof. Interchangeable without service charge.

CALLABLE—As a whole or in part at any time on at least 30 but not more than 60 days' notice to each Apr. 30 as follows:

1981 110.00 1982 109.40 1983 108.80
1984 108.20 1985 107.60 1986 107.00
1987 106.40 1988 105.80 1989 105.20
1990 104.60 1991 104.00 1992 103.60
1993 103.20 1994 102.80 1995 102.40
1996 102.00 1997 101.60 1998 101.20
1999 100.80 2000 100.40

and thereafter at 100. Not callable, however, prior to May 1, 1990 thru refunding at an interest cost of less than 12% per annum. Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, May 1, 1988-2009, sufficient to redeem at least \$4,300,000 but not more than \$10,750,000 principal amount of debts, plus similar optional payments. Sinking fund is designed to 94% of debts, prior to maturity.

SECURITY—Not secured. Same as s.f. deb. 6 7/8, 1994.

SALE AND LEASEBACK—Same as s.f. deb. 9 1/8, 2000.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts, outstg.

RIGHTS ON DEFAULT—Trustee, or 25% of debts, outstg. may declare principal due and payable (30 days' grace for payment of interest).

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds will be used to reduce outstg. commercial paper.

OFFERED—(\$100,000,000) at 100 plus accrued interest (proceeds to Co., 99.125) on May 2, 1980 thru Goldman, Sachs & Co., Lazard Freres & Co. and associates.

4. Assumed Debt: Owens-Corning Fiberglas Finance N.V. guaranteed sinking fund debenture 9s, due 1988:

AUTH.—\$20,000,000; outstg., Dec. 31, 1980, \$12,500,000.

DATED—Aug. 1, 1971. DUE—Aug. 1, 1986.

INTEREST—Aug. 1. Principal and interest payable in U.S. currency (a) at corporate trust office of Morgan Guaranty Trust Co., NYC, and (b) subject to applicable laws in country of following offices: Morgan Guaranty Trust Co., in Brussels, Frankfurt (Main), London, Paris and Zurich and the main offices of Bank Mees & Hope N.Y. in Amsterdam, Kredietbank S.A. Luxembourg, Banca Morgan Vonwill S.p.A. in Milan as agencies at which, at option of holder, principal of and interest on debts, will be payable by check drawn on, or by transfer to a U.S. dollar account maintained by payee with a bank in NYC.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Bearer coupon, \$1,000.

CALLABLE—As a whole or in part on or after Aug. 1, 1979, on at least 30 days' notice, to each July 31, incl., as follows:

1980 102,000 1981 101,600 1982 101,200
1983 100,800 1984 100,400

If, at any time, Co. shall become obligated to pay additional interest as a result of any change in or amendment to laws of the U.S. or the Netherlands, Antilles or any subdivision or taxing authority thereof or therein affecting taxation, or change in an official application or interpretation of such laws or change in or amendment to an official application or interpretation of or execution of any treaty or treaties affecting taxation to which the U.S. or the Netherlands Antilles is a party, which change, amendment, application, interpretation or execution becomes effective on or after Aug. 11, 1971 debts, may be redeemed as a whole, on at least 30 days' notice at 100. Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, each Aug. 1, 1975-79, to retire debts, cash (or debts) of not less than \$1,000,000 principal amount of debts; \$1,500,000 in each of the years beginning Aug. 1, 1980 thru 1982; and \$2,500,000 in each of the years beginning Aug. 1, 1983 thru 1985.

SECURITY—Direct, unsecured obligation of issuer.

GUARANTEED—Unconditionally, as to principal, premium (if any) and interest by Owens-Corning Fiberglas Corp.

TAXES ON PRINCIPAL, PREMIUM OR INTEREST—Co. will pay as additional interest such amounts as may be necessary to re-

imburse non resident alien holders for any present or future U.S. or Netherlands Antilles withholding tax.

RIGHTS ON DEFAULT—Trustee, or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debts. outstg.

PURPOSE—Proceeds to be loaned by Co. to Owens-Corning Fiberglas Corp.

OFFERED—(\$20,000,000) at 100 thru Goldman, Sachs & Co.; Lazard Freres & Co.; White, Weld & Co. Ltd.; Union Bank of Switzerland Ltd., and associates.

6. Other Long Term Debt: Outstg., Dec. 31, 1980, \$117,383,000 as follows:

(1) \$33,400,000 notes due June 1, 1988, 4.2%, subject to annual prepayments of \$4,150,000.

(2) \$3,628,000 4½%-14¼% capitalized lease, due from 1981 thru 1997, subject to annual prepayment.

(3) \$5,693,000 notes due in 1983 at 8.5% interest and due 1990 at 8% interest; payable in French francs.

(4) \$34,000,000 8½% note due 2000.

(5) \$10,477,000 6% to 12% notes due from 1980 through 1993.

(6) \$13,038,000 11% note due 1984; payable in Belgian francs.

(7) \$1,587,000 10½% note due in 1987; payable in Belgian francs.

(8) \$15,560,000 4½%-9¼% industrial revenue bonds due through 1997.

Under the provisions of its various loan agreements, Company has agreed to restrictions on payment of cash dividends, distribution or repurchase of its common stock, the

making of foreign investments, and maintenance of minimum net working capital. At Dec. 31, 1980, under the most restrictive provisions, \$121,700,000 was available for cash dividends, reacquisition of stock, and foreign investments.

CAPITAL STOCK

Owens-Corning Fiberglas Corp. common; par \$1:

AUTHORIZED—50,000,000 shares; outstanding Dec. 31, 1980, 30,628,063; reserved for stock options, 1,919,876 shares; par \$1.

Par changed from no par to \$5 Dec. 28, 1951 by 3-for-1 split; (shares had been previously split 4-for-1 in 1950); changed from \$5 to \$1 in May, 1956, by 2-for-1 split; \$1 par shares split 2-for-1 July 27, 1970 and May 12, 1978.

As of Jan. 5, 1977, Owens-Illinois, Inc. owned 3.07% of stock and Corning Glass Works 26.15%.

DIVIDENDS—On no par shares (prior to 3-for-1 split in Dec., 1951): 1950 and 1951, \$1.

On \$5 par shares:

1952-53 \$0.60 1954 \$0.75 1955 \$1.00

1956 0.50

On \$1 par shares:

1956 0.40 1957-59 0.80 1960-64 1.00

1965 1.30 1966-69 1.40 1970 1.05

On \$1 par shs. after 2-for-1 split:

1970 0.18¾ 1971 0.75 1972 0.78

1973 0.82¾ 1974-75 0.88 1976 0.94

1977 1.10 1978 0.60

On \$1 par shs. after 2-for-1 split:

1978 0.70 1979-80 1.20 1981 0.60

1982 to June 15.

DIVIDEND RESTRICTIONS—See Other Long Term Debt, above.

DIVIDEND REINVESTMENT PLAN—As Administrator for shareholder, Citibank N.A., will purchase full and fractional shares of company common for participants account (without service charge to participant) (a) all cash dividends on shares of company common stock held by participant and any full shares or fractional shares in one share acquired by participant through this service and/or (b) all cash payments of from \$10 to \$3,000 per quarter received from participant for such purpose and all cash dividends on shares and fractional shares acquired through this cash payment plan. Such purchases may be made on any securities exchange where such shares are traded, in over-the-counter market, or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as Bank, in its sole discretion, may determine.

VOTING RIGHTS—Has one vote per share.

Under consent decree dated June 23, 1949, Owens-Illinois, Inc. and Corning Glass Works are enjoined from voting shares owned except with consent of U.S. Attorney General or of the Court other than for re-election of directors previously approved by the Court.

PREEMPTIVE RIGHTS—None.

LISTED—On NYSE (Symbol: OCF). Unlisted trading on Philadelphia and Boston Stock Exchanges.

TRANSFER AND DIVIDEND DISBURSING AGENT AND REGISTRAR—Citibank, N.A., NYC.

OFFERED—(400,000 shares) at \$65 per share (proceeds to company \$62.79 per share) on July 25, 1967, by Goldman, Sachs & Co., Lazard Freres & Co. and White, Weld & Co., and associates. Proceeds for general purposes.

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