

News

For Immediate Release



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Bankruptcy Court Approves Owens Corning's Plan of Reorganization

Toledo, Ohio – September 26, 2006 – Owens Corning (OWENQ.OB) today announced that Judge Judith Fitzgerald of the United States Bankruptcy Court for the District of Delaware approved the company's Plan of Reorganization. The Bankruptcy Court's approval of the plan paves the way for Owens Corning to emerge from bankruptcy by the end of October 2006.

"The court's approval of Owens Corning's Plan of Reorganization is a significant accomplishment for our company," said Dave Brown, president and chief executive officer. "As a direct result of the hard work of our employees and the continued support of our customers, suppliers and business partners, Owens Corning has the strong business performance and financial resources necessary to make this plan possible. We are pleased to have court approval on a plan that deals fairly and equitably with all our creditors and permanently resolves our asbestos liability.

"Throughout the Chapter 11 process, Owens Corning has remained committed to fairly compensating individuals who were made sick by exposure to asbestos-containing products that we produced until 1972," said Mr. Brown. "This plan allows us to achieve that objective through the funding of a Trust that will allow those affected by asbestos to be compensated in the near future."

Owens Corning's creditors and shareholders overwhelmingly supported the plan, including the asbestos, bondholder, and trade creditor classes, and bank debt holders.

Before Owens Corning can emerge from bankruptcy, the plan must also be approved by Judge John P. Fullam of the United States District Court for the Eastern District of Pennsylvania. Following district court approval of the plan, Owens Corning must complete certain administrative steps before it can emerge from Chapter 11.

“We will emerge as a strong company,” said Mr. Brown. “Since 2002, we have strengthened our financial performance, including increased sales, improved income from operations and reduced SG&A. These financial achievements are reflected in the preliminary investment-grade credit ratings that we received from both Standard & Poor’s and Moody’s, an unprecedented accomplishment for a company emerging from a bankruptcy restructuring.”

The agreement assumes a total distributable value of \$8.627 billion, consisting of the total enterprise value of \$5.858 billion, assumed excess cash of \$1.432 billion, and Fibreboard trust and asbestos trust assets of \$1.491 billion, less existing debt of \$55 million and \$99 million in assumed value of new shares reserved for employee incentive programs. The full Plan of Reorganization and related Disclosure Statement are available at www.ocplan.com.

Owens Corning’s exit financing will come from a combination of new equity, new debt financing and existing debt at non-debtor Owens Corning entities. The company will begin distributions to creditors upon the effective date of its emergence from Chapter 11.

About Owens Corning

Owens Corning is a world leader in building materials systems and composite solutions. A Fortune 500 company for more than 50 years, Owens Corning people redefine what is possible each day to deliver high-quality products and services ranging from insulation, roofing, siding and stone, to glass composite materials used in transportation, electronic, telecommunications and other high-performance applications. Since the company’s founding in 1938, Owens Corning has become a market-leading innovator of glass fiber technology with sales of \$6.3 billion in 2005 and 20,000 employees in 26 countries. Additional information is available at <http://www.owenscorning.com>.

On October 5, 2000, Owens Corning and 17 United States subsidiaries filed voluntary petitions for relief under Chapter 11 of the U. S. Bankruptcy Code in the U. S. Bankruptcy Court for the District of Delaware. The Debtors are currently operating their businesses as debtors-in-possession in accordance with provisions of the Bankruptcy Code. The Chapter 11 cases of the Debtors are being jointly administered under Case No. 00-3837 (JKF). The Chapter 11 cases do not include other U. S. subsidiaries of Owens Corning or any of its foreign subsidiaries. The Debtors filed for relief under Chapter 11 to address the growing demands on Owens Corning’s cash flow resulting from the substantial costs of asbestos personal injury liability.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Further information on factors that could affect the company’s financial and other results is included in the company’s Forms 10-Q and 10-K, filed with the Securities and Exchange Commission.

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