

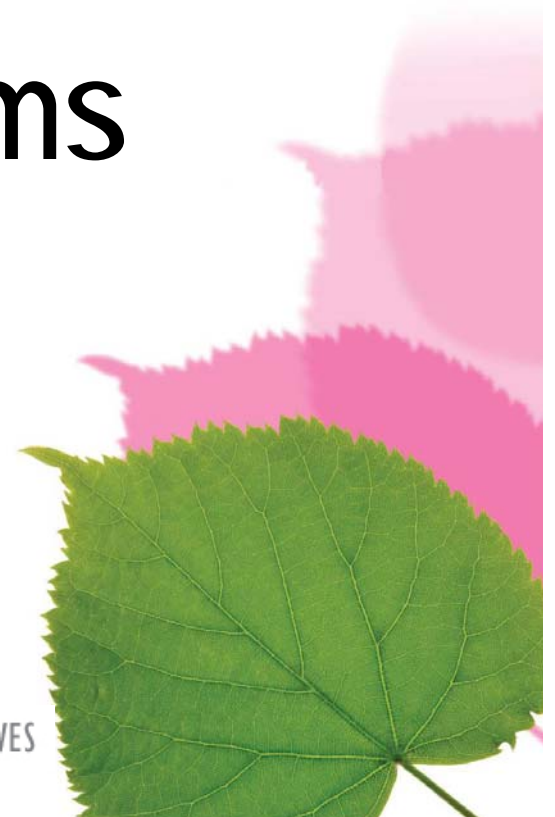


Owens Corning Investor Day

# Insulating Systems

Roy Dean  
President, Insulating Systems

DELIVERING SOLUTIONS | TRANSFORMING MARKETS | ENHANCING LIVES





# Forward-looking Statement and Non-GAAP Measures

This presentation 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. The forward-looking statements speak as of the date May 16, 2007, hereof and are subject to change. The Company does not undertake any duty to update or revise forward-looking 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. Additional Company information is available on the Owens Corning Web site: [www.owenscorning.com](http://www.owenscorning.com).

Certain data included within this presentation contains "non-GAAP financial measures" as defined by the Securities and Exchange Commission. A reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles can be found in our most recent Form 10-K and on our Web site referenced above. Results for 2006 reflect the application of Fresh Start accounting as of October 31, 2006.



# Energy Efficiency:

A never-ending concern, **a never-ending opportunity**



- Worries of World War II
- Owens Corning successfully commercializes the fiber glass process and opens for business



1938





# Energy Efficiency:

A never-ending concern, **a never-ending opportunity**

- Worries about the Oil Embargo
- Owens Corning begins expanding nationally... insulation is cheaper than oil



1973





# Energy Efficiency: A never-ending concern, a never-ending opportunity

- Fears of political instability when Iraq invades Kuwait
- Owens Corning continues to expand and innovate to meet ever increasing customer needs



1990







# Energy Efficiency:

A never-ending concern, **a never-ending opportunity**

- Collective fears about energy security, depleting resources, carbon emissions and climate change from a “whisper” to “every day news”

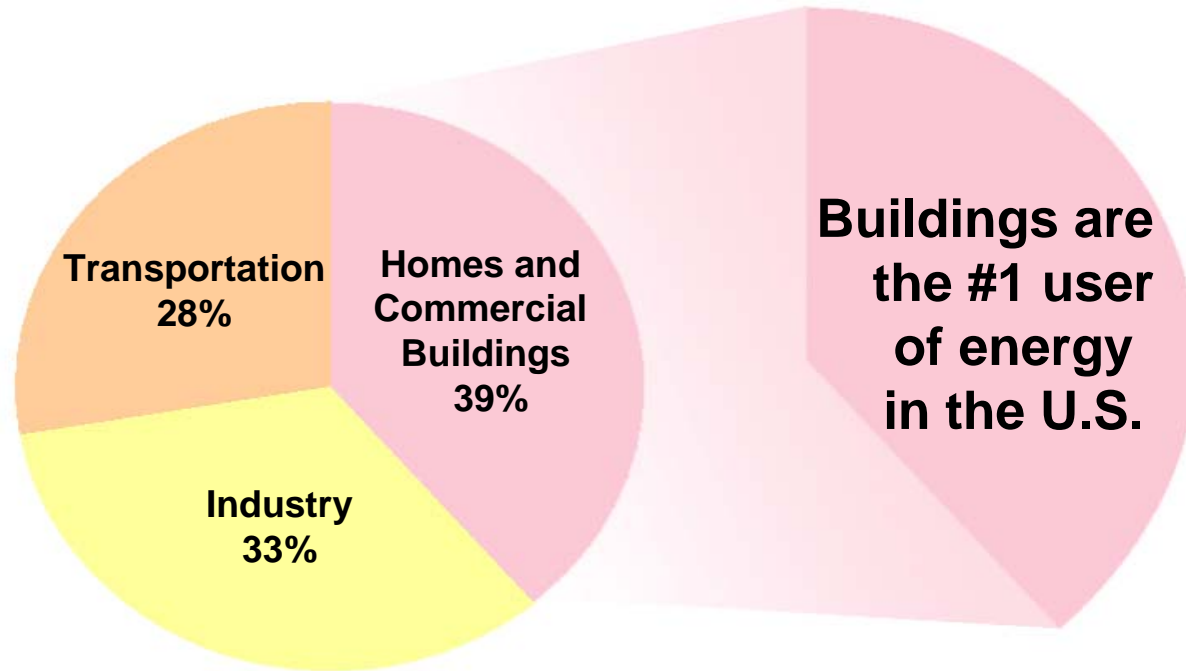


2007





# Total U.S. Energy Use\*



**\*Source: Department of Energy**



## Insulation Has Never Been More Relevant

- **“Checking home insulation is one of the fastest and most cost-efficient ways to use a whole-house approach to reduce energy waste and make the most of energy dollars.”**

– *U.S. Department of Energy, 2005*

- **“Insulation is the single most cost-effective greenhouse gas abatement measure.”**

– *McKinsey & Company Report on Greenhouse Gas Reduction, 2007*

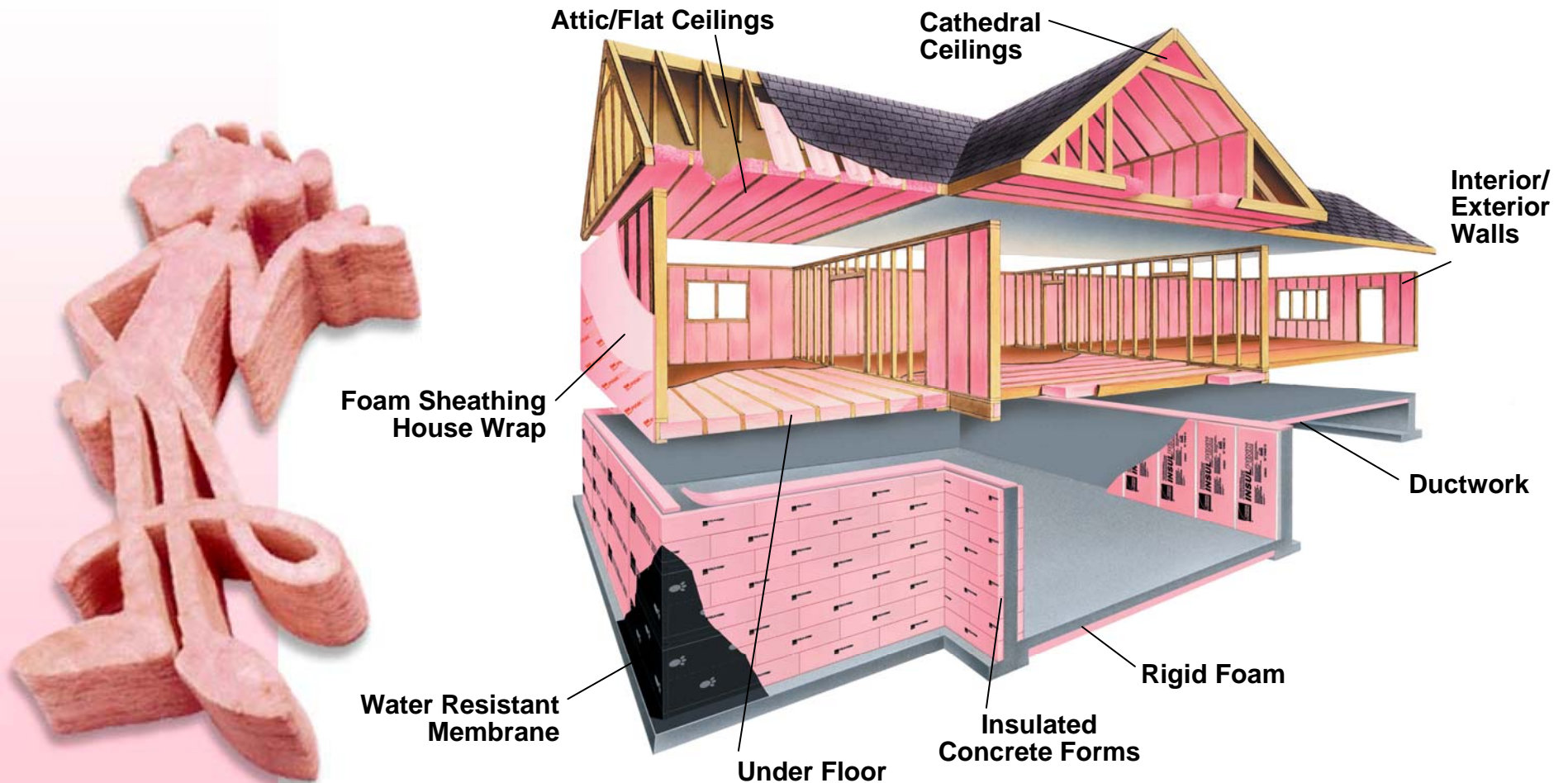






INNOVATIONS FOR LIVING™

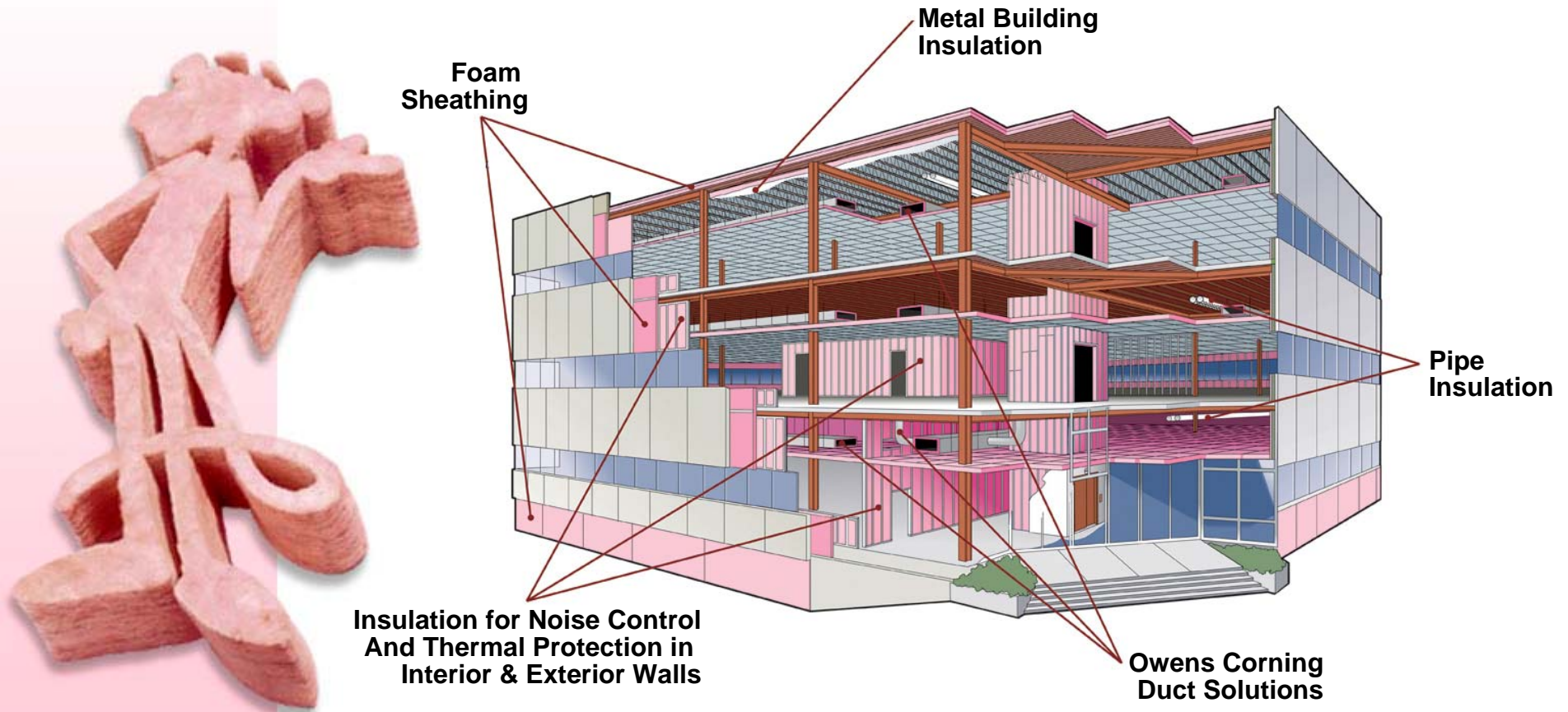
# How Our Products are Used in the Home



**Insulation in existing homes saves 48% of the energy that otherwise would have been consumed**



# How Our Products are Used Commercially



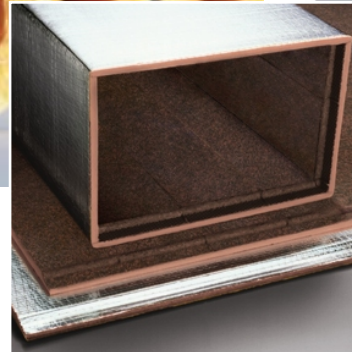
**Insulation in existing commercial buildings saves at least 30% of the total U.S. commercial energy consumption**



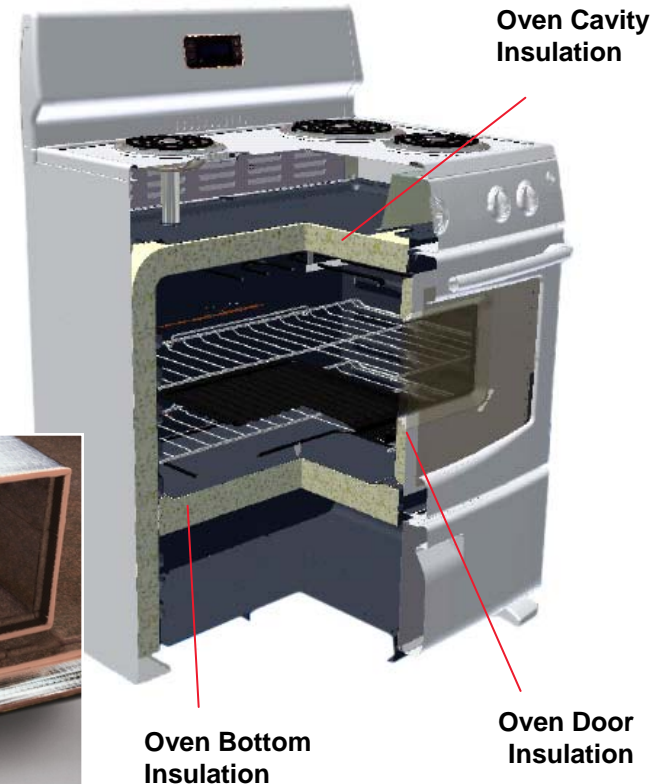
# How Our Products are Used



Pipe Insulation



Duct Board\*



Oven Cavity  
Insulation

Oven Bottom  
Insulation

Oven Door  
Insulation

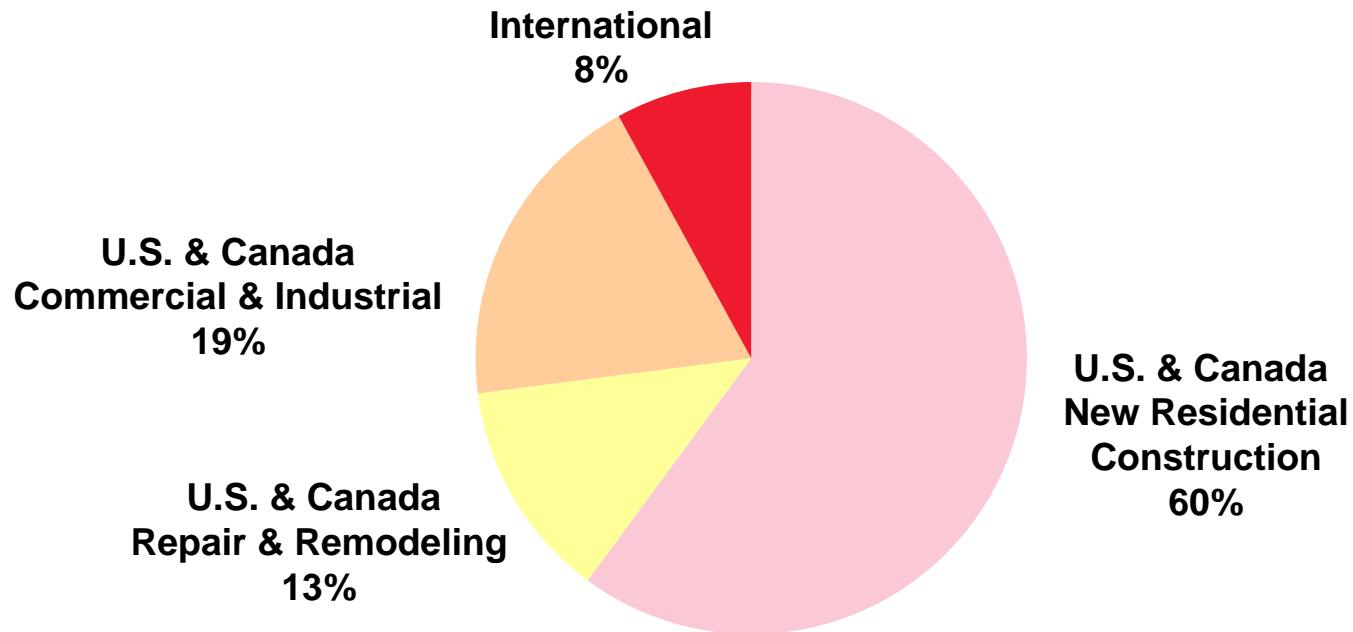
**Fiberglass Duct Systems alone,  
are estimated to be 75% more energy efficient than  
uninsulated unsealed sheet metal ducts.**





# The Markets We Serve

## 2006 Insulating Systems Revenue by End Market



**Owens Corning has majority share of the North American fiberglass insulation market**



# Our Customers and Our Channels

## Retail/Big Box



## Pro-Dealers



## Contractors



## Distributors



## Commercial Distributors

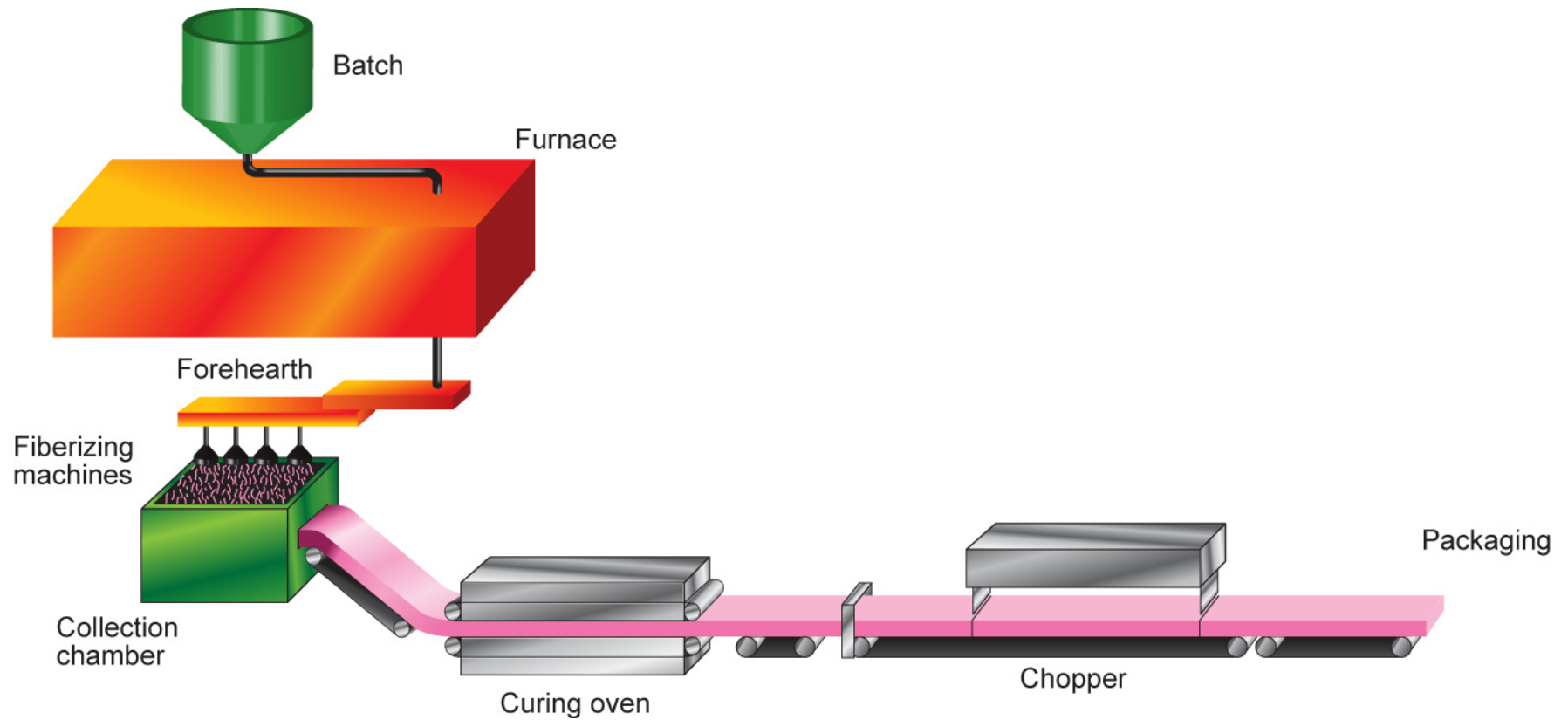






INNOVATIONS FOR LIVING™

# The Glass Insulation Manufacturing Process





INNOVATIONS FOR LIVING™

# Our Global Business Platform



● Glass Manufacturing  
 ★ Foam Insulation  
 ■ Fabrication  
 L Licensees



5,400 Employees   ● 29 Manufacturing Facilities



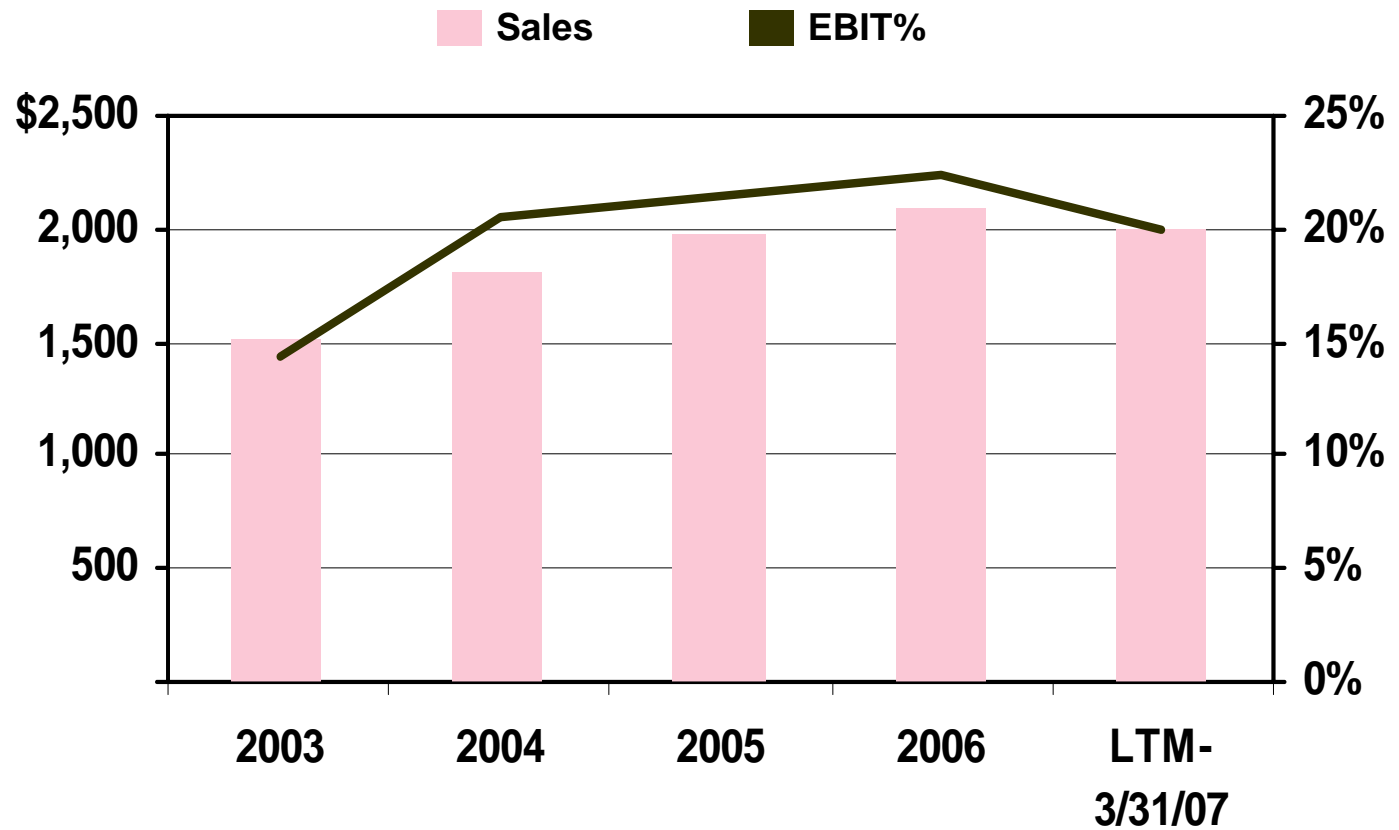
# Insulating Systems Business Team

- **President** 26 years
- **VP & GM Residential Insulation** 20 years
- **VP & GM Commercial & Industrial** 18 years
- **GM Foam** 11 years
- **VP Sales National Accounts** 31 years
- **VP Manufacturing** 28 years
- **VP Technology** 14 years
- **VP Latin America** 10 years
- **VP Asia Pacific** 29 years





# Insulating Systems Financial Overview





# Strategies for Success

- **Leading through the cycle**
- **Grow the North American market**
- **Global expansion**







# Strategies for Success

- **Leading through the cycle**
  - Responsive capacity management
    - Delay greenfield construction
    - Shutter high-cost capacity
    - Extend maintenance downtimes
    - Reduce production rates
  - Focus on operational execution
    - Optimize logistics
    - Manage working capital
    - Adjust overhead and capital spending rates





# Strategies for Success

- **Grow the North American market**

- 55 percent of attics in existing homes in the U.S. are under insulated\* (69MM)
- 90 percent of consumers will pay up to \$5,000 for a more energy efficient home†
- 98 percent of consumers want to reduce America's dependence on foreign oil‡
- 71 percent of homeowners say they would be interested in noise-control products if they were offered by a builder\*\*

\*International Energy Conservation Code

† *American Institute of Architects, 2006, [www.aia.org](http://www.aia.org)*

‡ *OC Omnibus, 2006, [www.owenscorning.com](http://www.owenscorning.com)*

\*\* *TNS-Global Noise Reduction Market Understanding Study, January 2005*





# Strategies for Success

- **Grow the North American market**

- Focus on thermal upgrades in new and existing homes
  - Drive new construction upgrades
  - Grow retrofit opportunities
  - Accelerate building code upgrades and compliance
  - Promote U.S. Energy Policy Act and enhance green marketing initiatives
- Drive noise control solutions for interior walls
- Grow an emerging Mexican residential market





# A Never-Ending Opportunity



## Opportunities for the *AttiCat*™ System

- 55% of attics in existing homes in the U.S. are under insulated\* (69MM)
- The most cost-effective way to enhance energy efficiency is to insulate the attic
- Lightweight and consumer friendly

\*According to the International Energy Conservation Code







# Strategies for Success

- **Grow the North American market**

- Focus on thermal upgrades in new and existing homes
  - Drive new construction thermal upgrades
  - Grow retrofit opportunities
  - Accelerate building code upgrades and compliance
  - Promote US Energy Policy Act and enhance green marketing initiatives
- Drive noise control solutions for interior walls
- Grow an emerging Mexican residential market







# Strategies for Success

- **Global expansion**

- Grow our existing footprint with product innovations
  - Extend core product penetration
  - Customize products to meet regional needs
- Expand presence in emerging markets
  - Greenfield
  - Mergers and Acquisitions
  - Joint Ventures





# Engineered Exterior Solution for the China Market

- FEWEIS (Foam Exterior Wall Exterior Insulation System) combines foam, scrim and exterior surface material
- Provides thermal and aesthetic benefits





# Strategies for Success

- **Global expansion**

- Grow our existing footprint with product innovations
  - Extend core product penetration
  - Customize products to meet regional needs
- Expand presence in emerging markets
  - Greenfield
  - Mergers and Acquisitions
  - Joint Ventures







# A Never Ending Opportunity

- **Winning customers**
- **Powerful brand**
- **Innovative products**
- **Talented team**
- **Great business**



THE PINK PANTHER™ & © 1964-2007  
Metro-Goldwyn-Mayer Studios Inc. All Rights Reserved.  
The color PINK is a registered trademark of Owens  
Corning. ©2007 Owens Corning