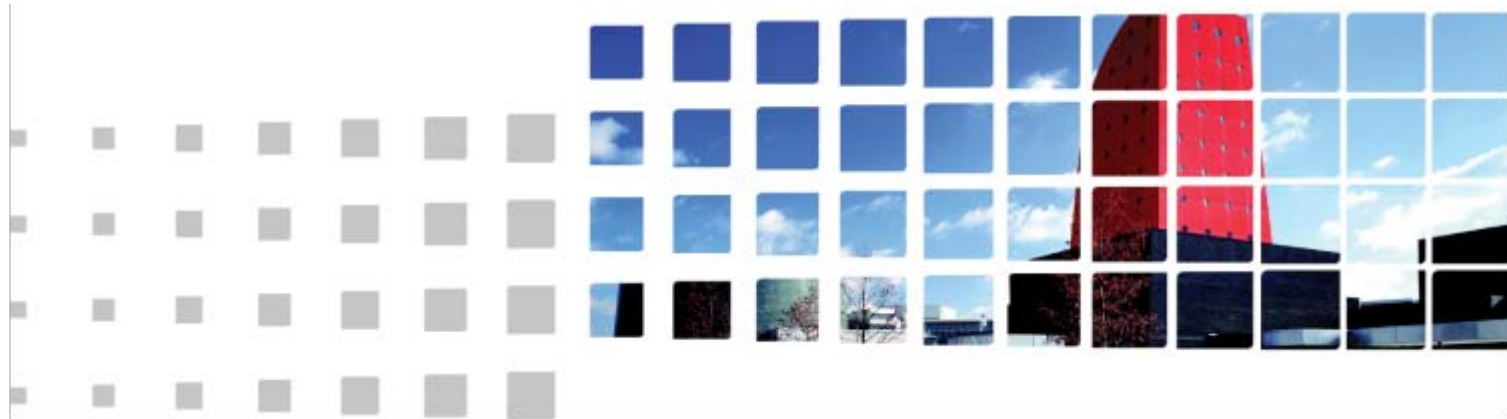


# INVESTOR DAY

## Welcome to Owens Corning's Investor Day 2012



**March 9, 2012**

# Building Materials Group



## INVESTOR DAY



**Chuck Dana**

*Group President, Building Materials*

**March 9, 2012**

# Building Materials Business

INVESTOR DAY 2012



- Strong businesses competing in end markets with attractive growth drivers
- Powerful brands aligned with winning customers across diverse channels
- Sustaining strong market positions
- 57 manufacturing sites
- 6,200 employees worldwide

***Positioned for Significant End-Market Growth***

# Insulation EcoTouch®

INVESTOR DAY 2012





# Insulation FOAMULAR®

INVESTOR DAY 2012



# Insulation

## Engineered Insulation Systems

INVESTOR DAY 2012



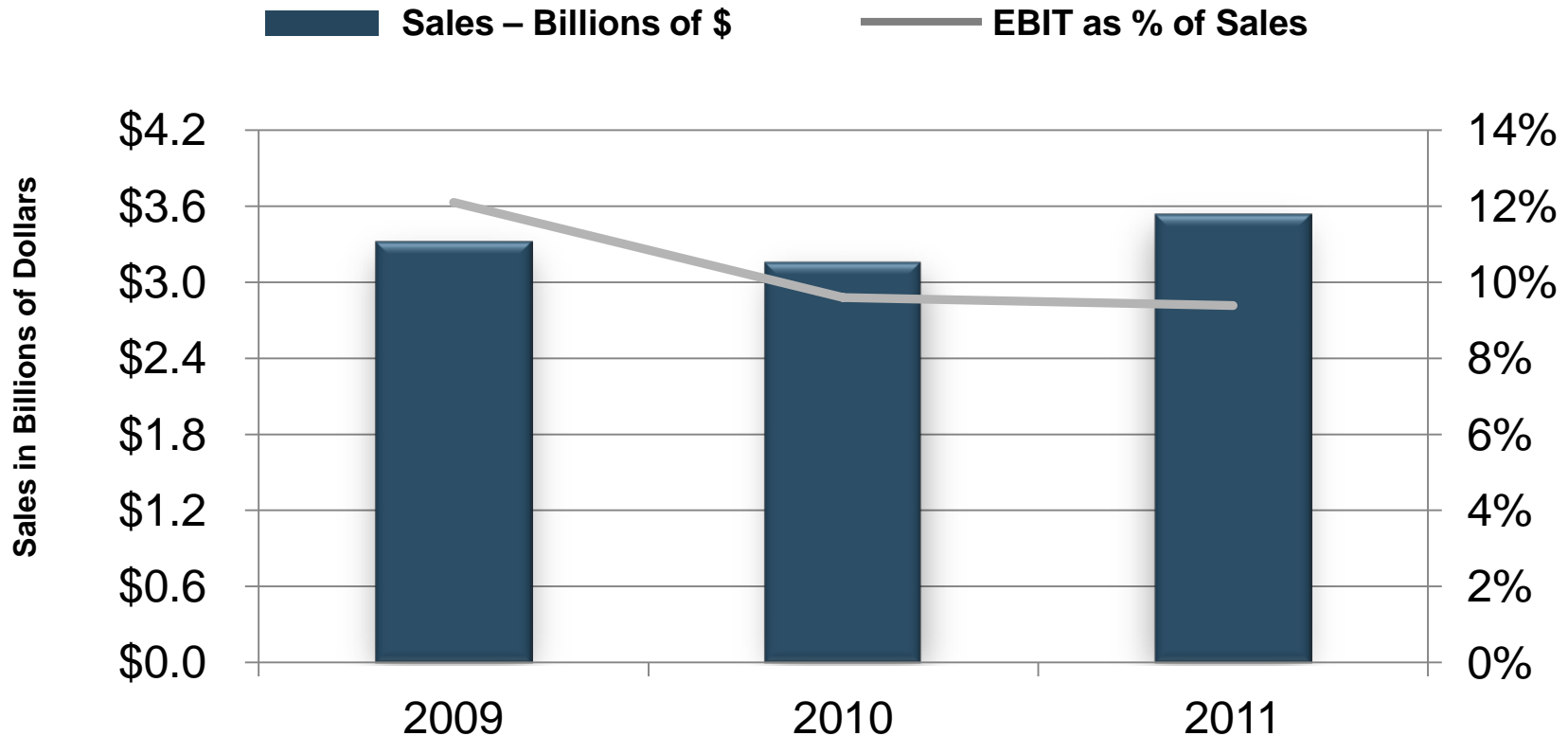


# Roofing

INVESTOR DAY 2012



## Financial Performance



*Sustained Performance Amid Challenging Markets*



# 2011 Achievements

INVESTOR DAY 2012



- Strengthened customer relationships with channel leaders
- Delivered 20% EBIT margins in Roofing
- Executed EcoTouch® product launch ... largest since the invention of glass insulation
- Acquired FiberTEK insulation
- Continued efficiency and cost gains
- Delivered earnings growth within international businesses

***Strong Execution Across Portfolio***

# Focus in 2012 and Beyond

---

INVESTOR DAY 2012



- Customers
- Innovation
- Operational excellence
- Growth

# Insulation



## INVESTOR DAY



**Michael McMurray**

*Vice President, Finance  
Building Materials Group*

**March 9, 2012**

# Insulation

Proud Past, Promising Future

INVESTOR DAY 2012



- The leading market position in North American fiberglass insulation
- PINK insulation: Our powerful and enduring brand
- Driving continuous product innovation for over 70 years

***Great Business in a Well-Structured Industry***



# Insulation

## A Proven Franchise

INVESTOR DAY 2012



- Positive demographics and energy-efficiency code adoption will drive market growth
- Aggressively managing the residential new construction business to improve operating performance and accelerate return to profitability at lower U.S. housing starts
- Geographic, channel and customer diversity provide an advantage to Owens Corning

***A Proven Franchise that Will Return to  
Historical Levels of Profitability***

- North American fiberglass insulation is a \$2 billion market
- Extruded polystyrene (XPS) foam is an attractive product line
- Critical success factors include building science, innovation and market focus

# Growing with Our Customers

INVESTOR DAY 2012



## Retail



## OEM



Electrolux

## Contractors



## Distribution/ Pro Dealers



*Strength in Our Channels and Brand*

# Positioned to Grow with Our Markets

INVESTOR DAY 2012



End-Use Markets <i>% of 2011 Revenue</i>	Expected Market Growth Drivers	Revenue CAGR 2011 – 2014
<b>U.S. &amp; Canada Residential New Construction</b> <i>34%</i>	<ul style="list-style-type: none"> <li>Housing starts</li> <li>Building energy code adoption</li> <li>Household formation</li> </ul>	10-25%
<b>U.S. &amp; Canada Repair &amp; Remodel</b> <i>22%</i>	<ul style="list-style-type: none"> <li>Aging housing stock</li> <li>Energy efficiency policies</li> </ul>	> 5%
<b>U.S. &amp; Canada Commercial &amp; Industrial</b> <i>24%</i>	<ul style="list-style-type: none"> <li>Code and “green” specification driven</li> <li>Owner operator focus</li> </ul>	5-10%
<b>Latin America &amp; Asia Pacific</b> <i>20%</i>	<ul style="list-style-type: none"> <li>Growing middle class</li> <li>Infrastructure improvements</li> <li>Urbanization of China</li> </ul>	5-10%

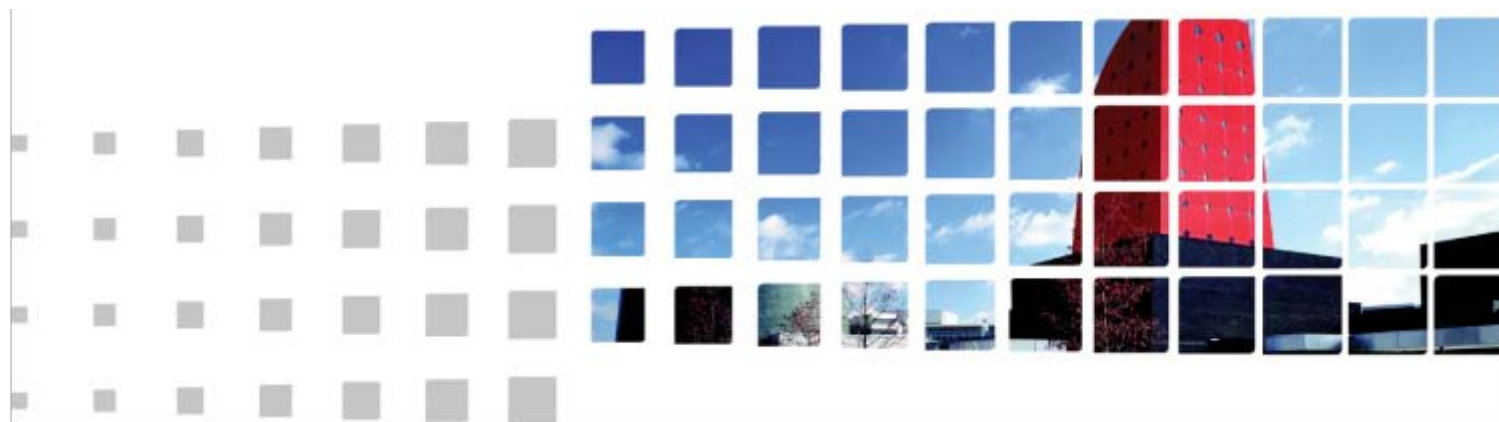
***Expect Double-Digit Revenue Growth as Market Recovers***



# Insulation



## INVESTOR DAY

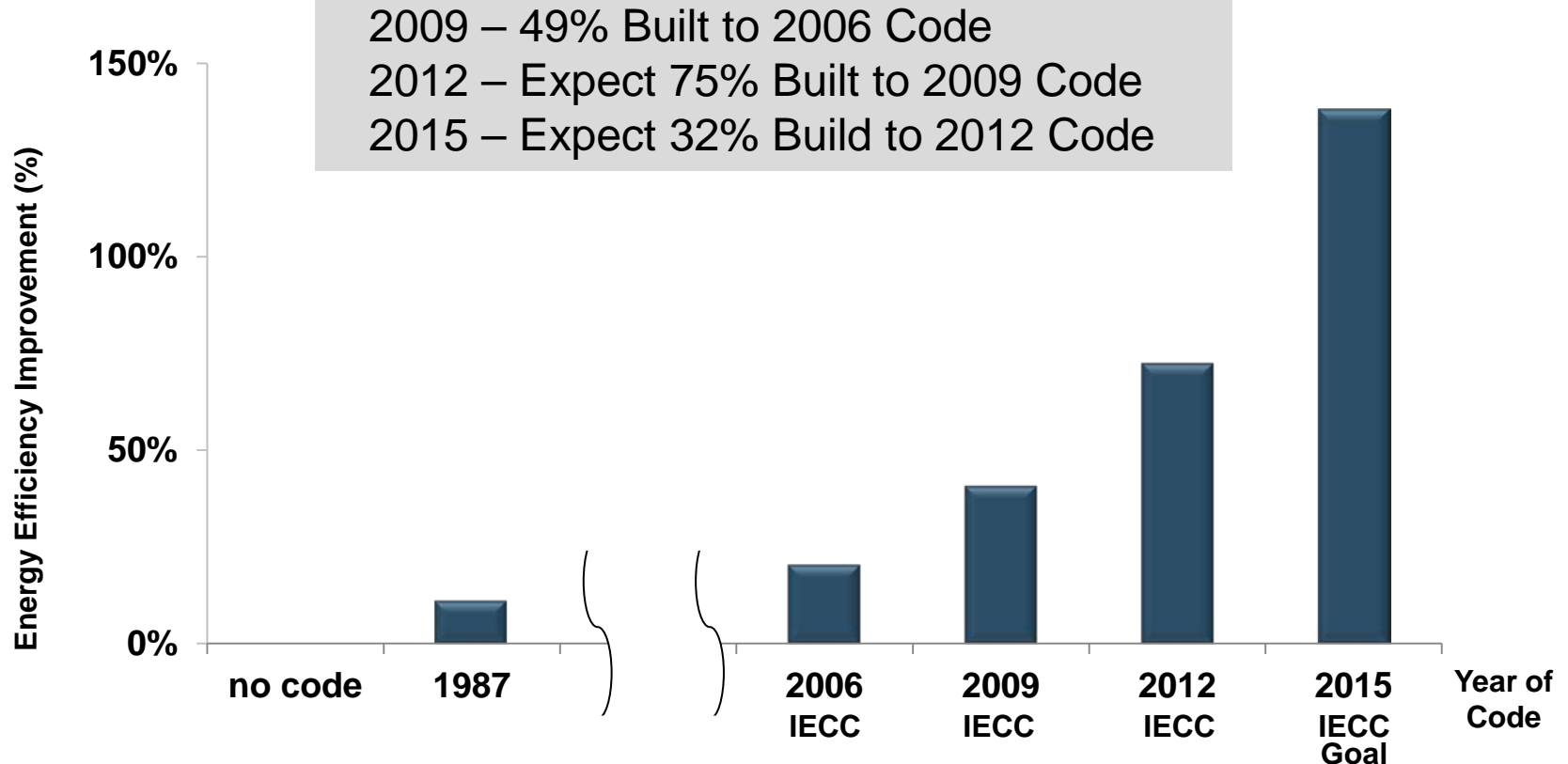


**Frank O'Brien-Bernini**

*Vice President, Chief Sustainability Officer*

**March 9, 2012**

## Residential Energy Productivity

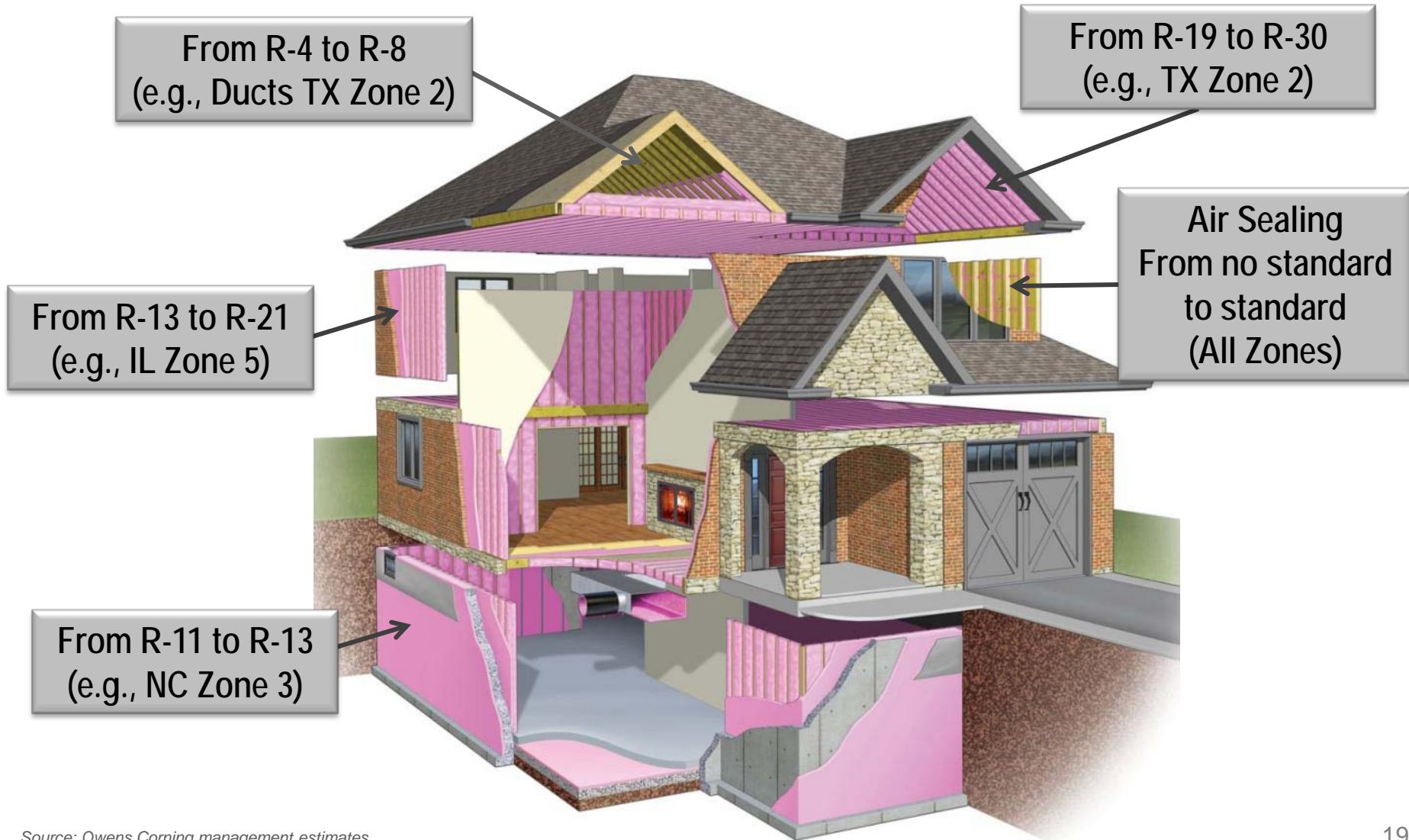


***Acceleration of Code Adoption 2006-2015  
Drives Demand for Insulation Products***

# Code Changes Drive Increased Demand

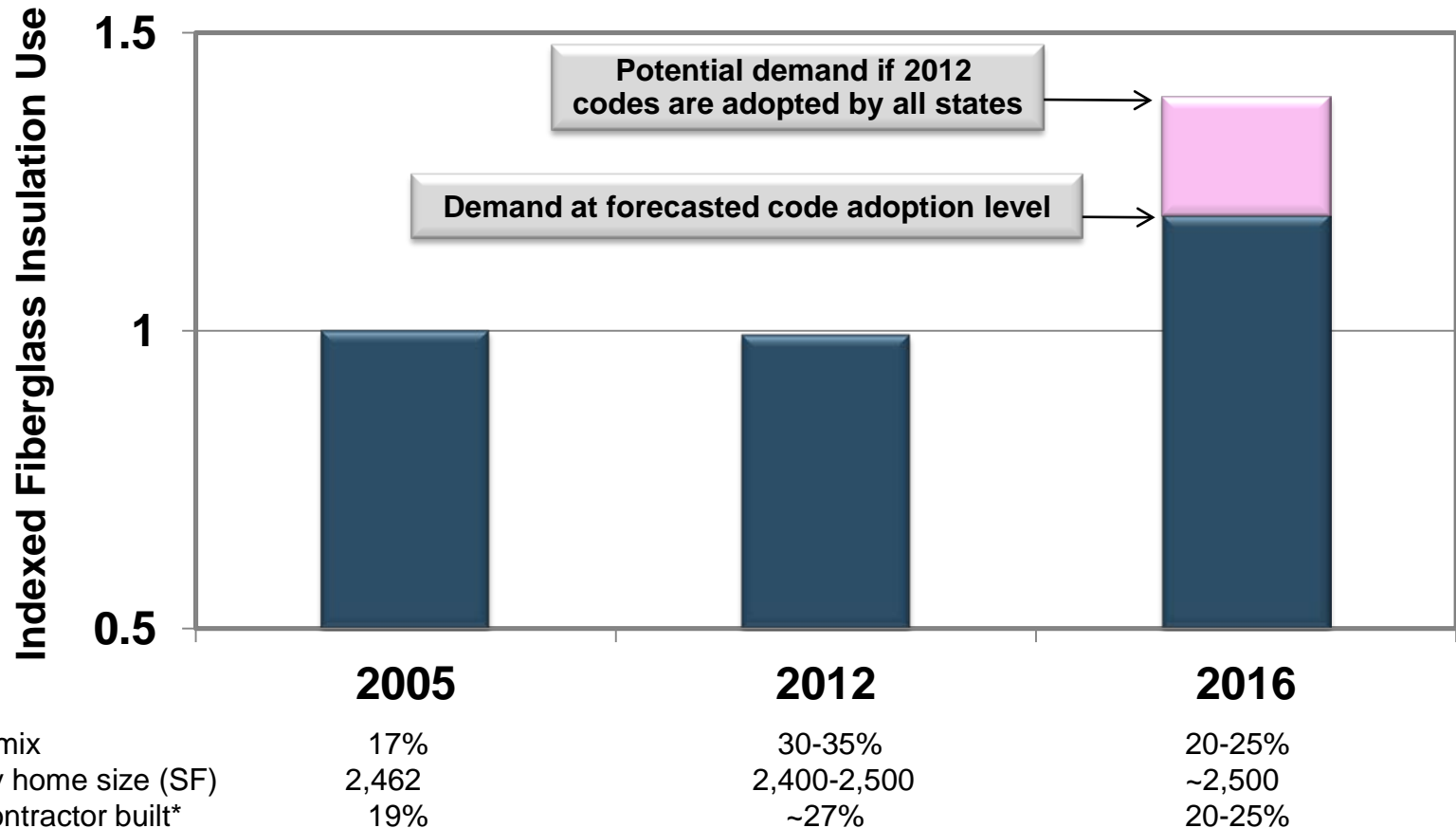
## Recent High-Impact Examples

INVESTOR DAY 2012



# Code Changes Support Increased Glass Fiber Demand

INVESTOR DAY 2012



***Further Code Adoption and Positive Mix Trends Drive Growth of 20% or More Over the Next Four Years***



# The EnergyComplete™ System Advantage

INVESTOR DAY 2012



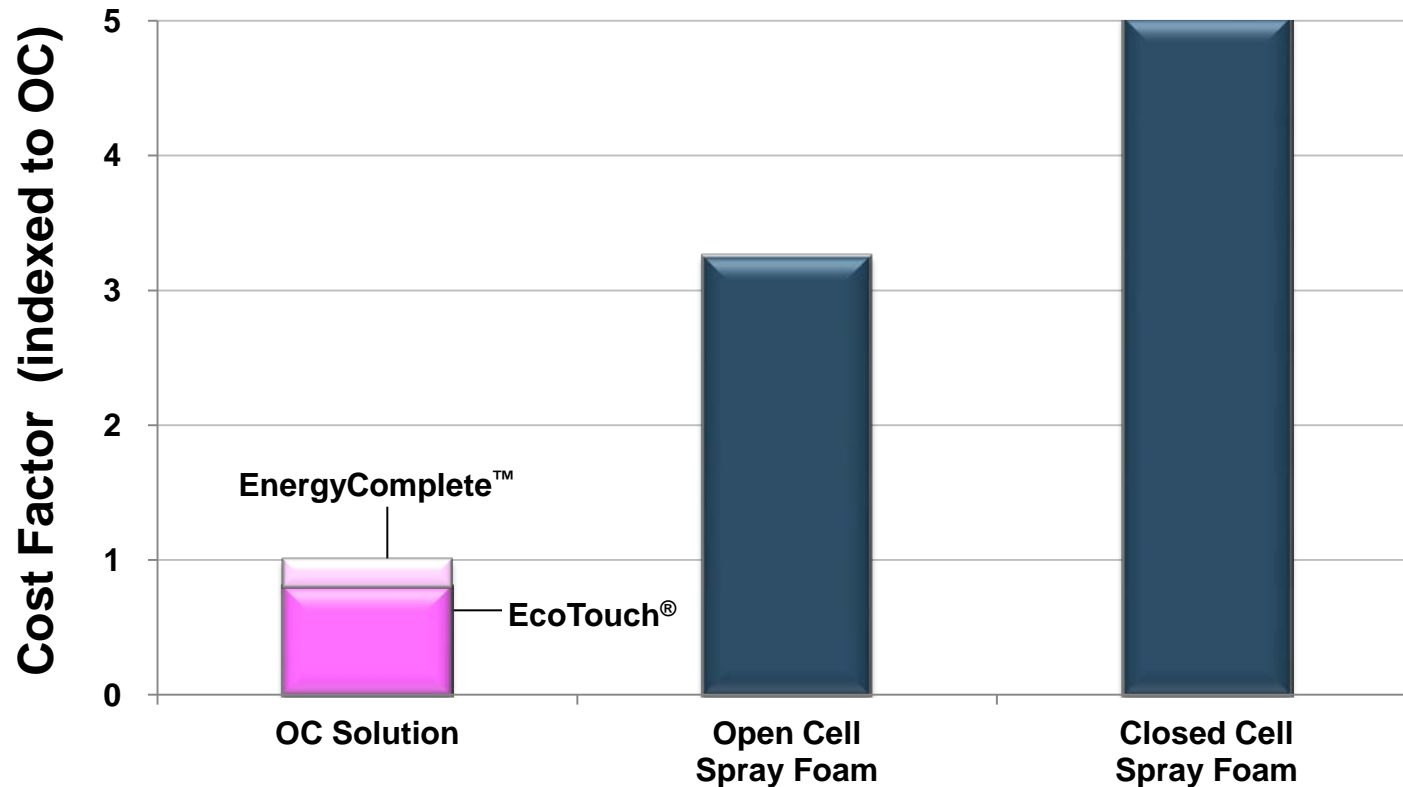
- A proprietary solution that reduces:
  - Heating/cooling by up to 33%
  - Air leakage by up to 70%
  - Outside noise by up to 40%
  - Moisture, allergens and pollutants



# Owens Corning EcoTouch®

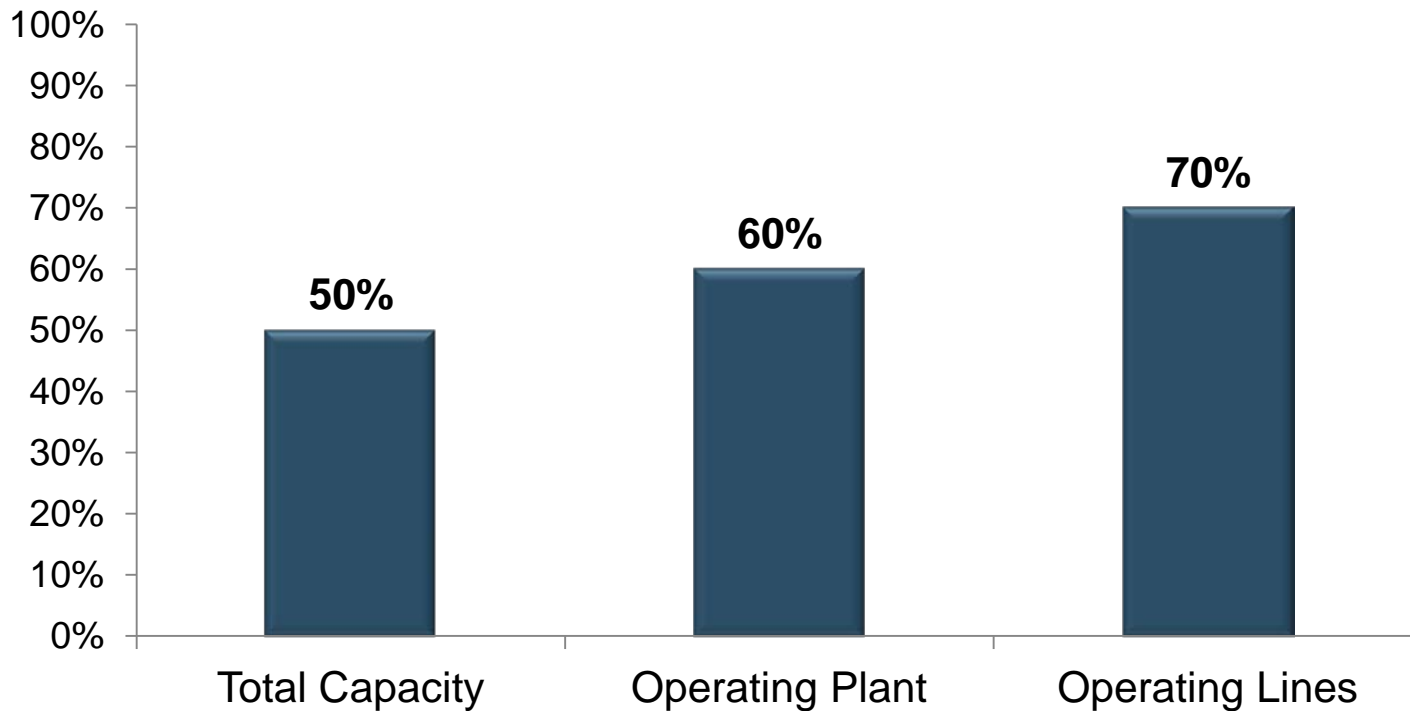
## Value vs. Competitive Offerings

INVESTOR DAY 2012



***Owens Corning EcoTouch® Insulation Remains the Value Leader***

### 2012 Industry Capacity Utilization



***Continued Focus on Cost Takeout and Managing Our Capacity with Demand Regionally***

# Owens Corning Insulation

## North American Fiberglass Network

INVESTOR DAY 2012

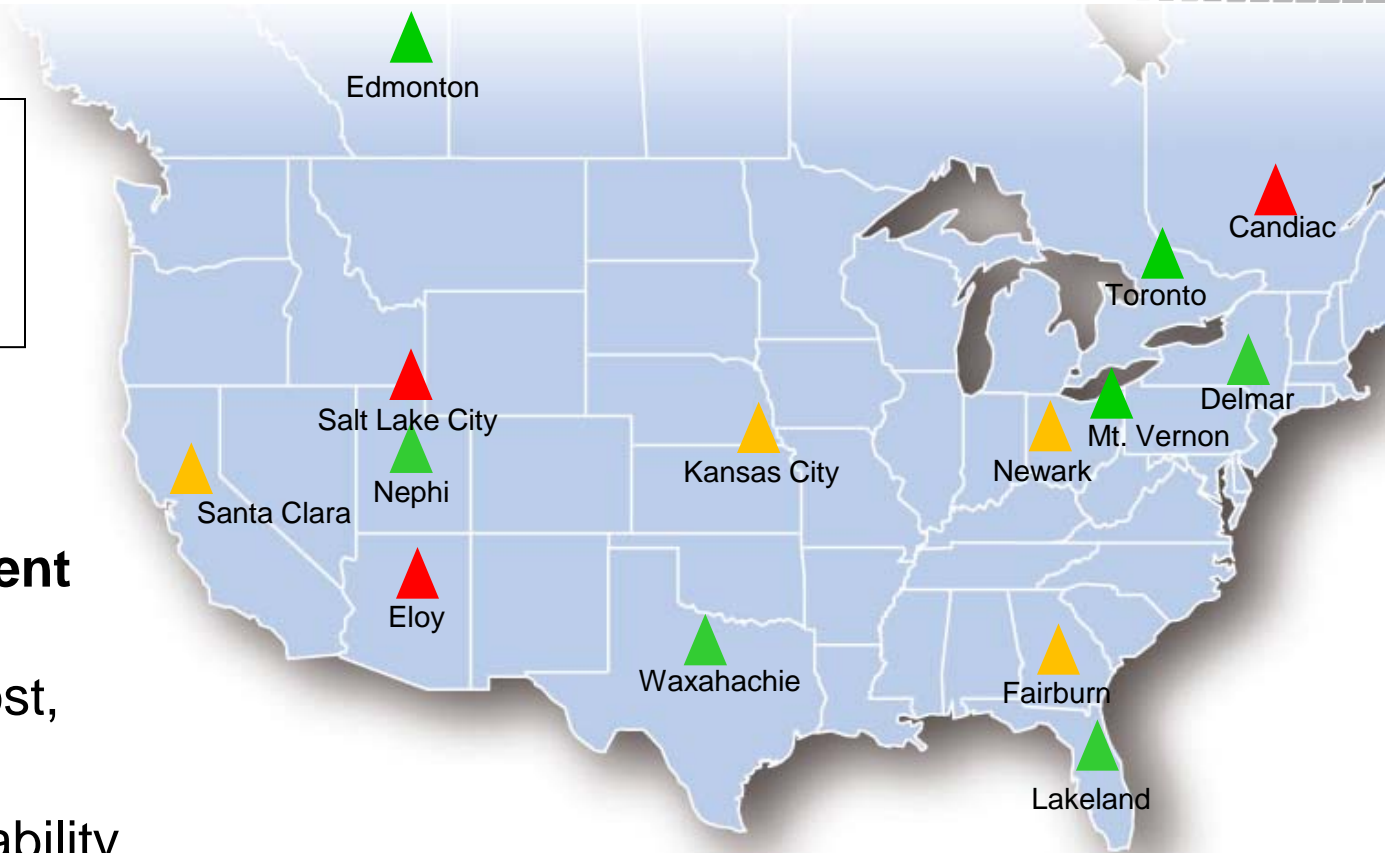


### Current Status:

- ▲ All lines operating
- ▲ Some lines down
- ▲ Facility mothballed

### Network Management

- Optimize capacity footprint for low cost, best service
- Quick startup capability

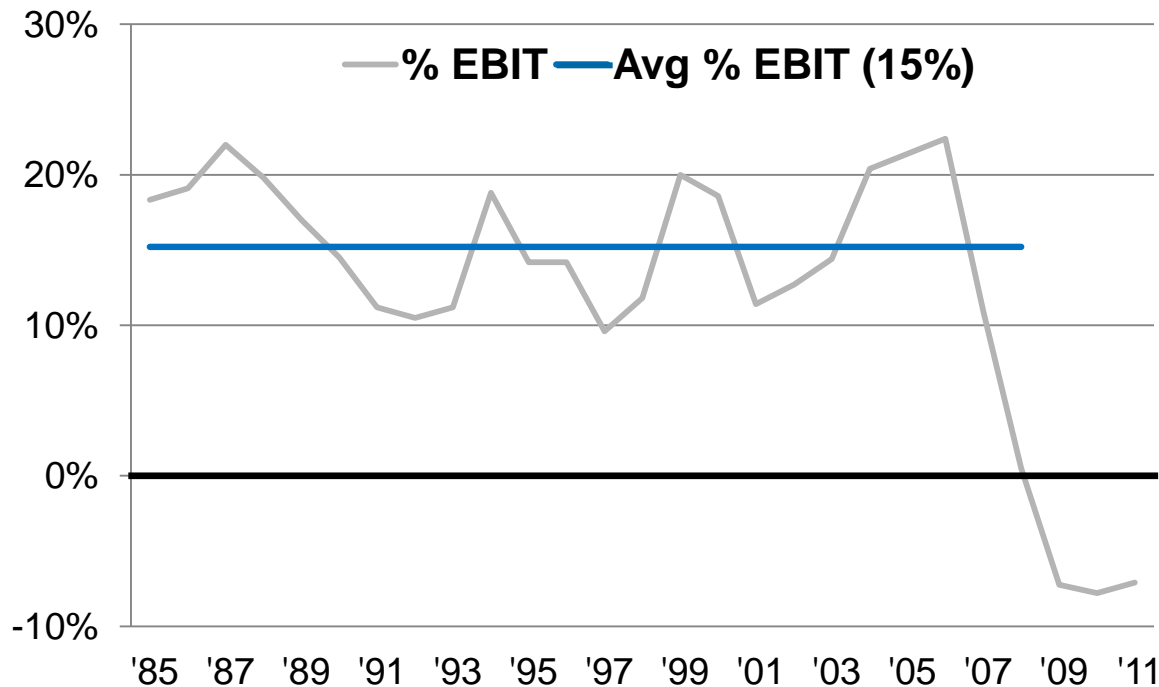


***Ready to Serve as Markets Return to Their Potential***

# Owens Corning Insulation

## A Proven Franchise

INVESTOR DAY 2012



**Well positioned  
to return to  
historical margins**

- Improved cost and efficiency
- Code adoption
- Expected U.S. housing improvement

***Historically Delivered 15% EBIT Margins at 1.5 Million Housing Starts***

# Insulation Prepared for Growth and Return to Profitability

INVESTOR DAY 2012



- Insulation positioned to deliver \$100 million or more of EBIT at one million annual U.S. housing starts
- Anticipate EBIT margins of at least 15% at 1.5 million annual U.S. housing starts
- Target 50% average operating leverage as market recovers, with price upside on return to historical average

***Positioned to Capitalize on Growth***



# Roofing



## INVESTOR DAY

*Serving Our Customers and Driving Shareholder Value*



**Sheree Bargabos**

*President, Roofing and Asphalt*

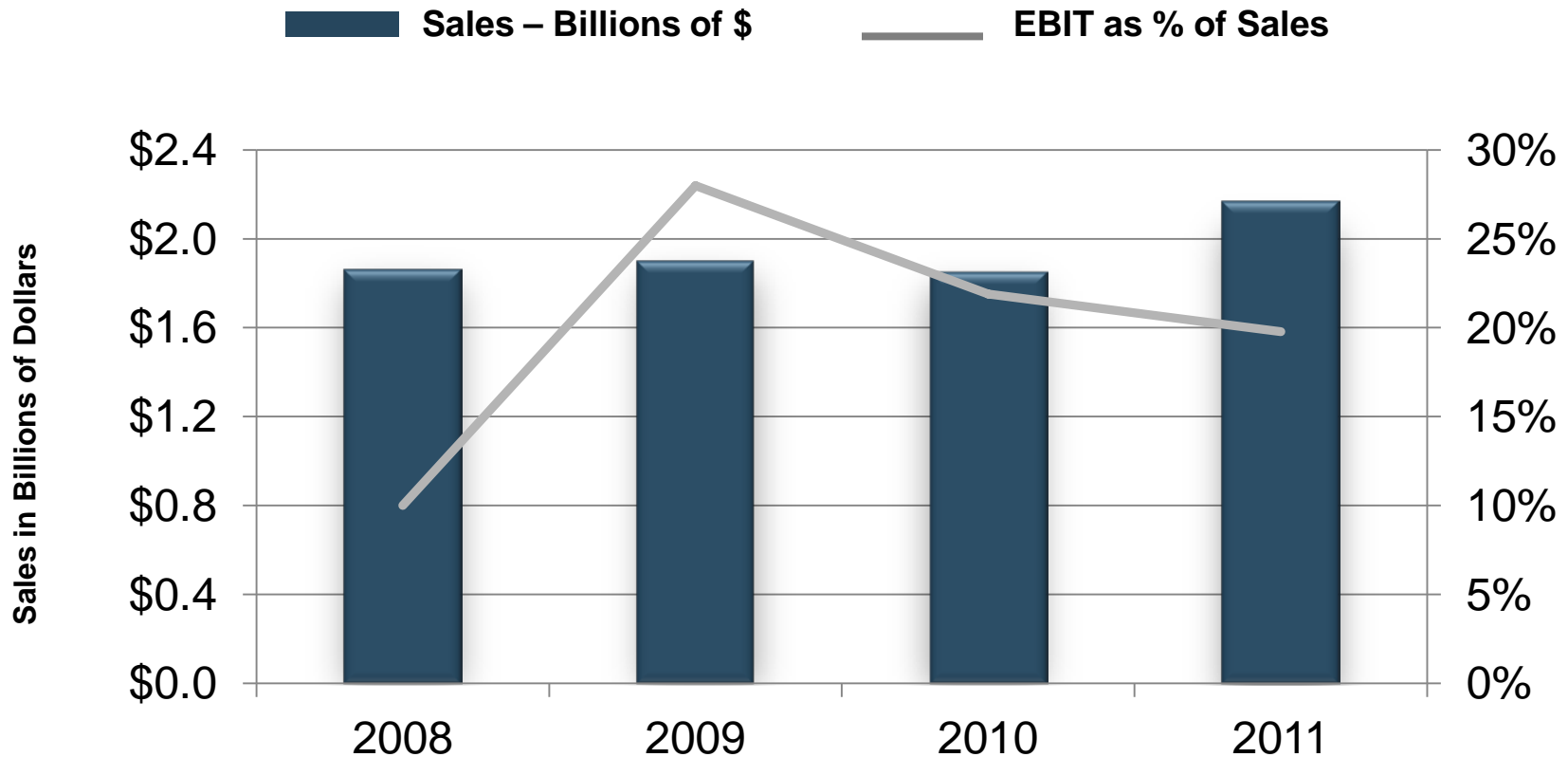
**March 9, 2012**

- Strong brand in an attractive industry
- Positioned for growth as housing market recovers
- Focused on productivity and profitability through innovation

***Strong Business Positioned for Growth as  
Markets Return to Their Potential***

# Roofing Financial Performance

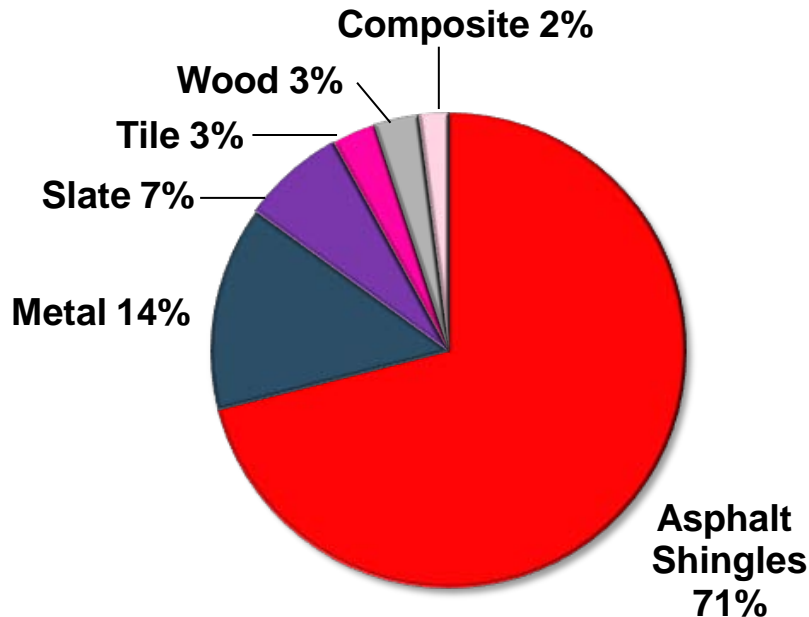
INVESTOR DAY 2012



***Sustained Operating Margin Performance***

# U.S. Steep-Slope Roofing Market

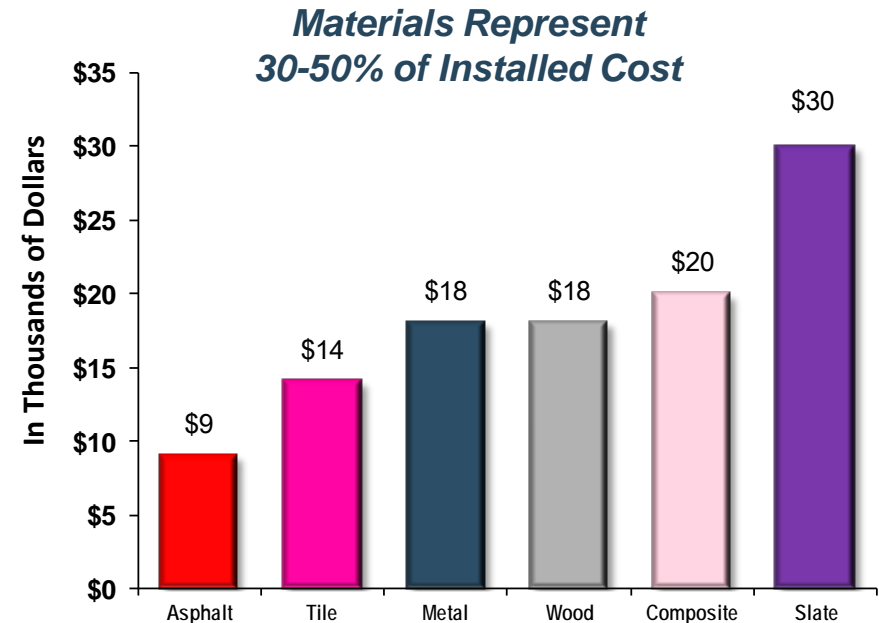
INVESTOR DAY 2012



**\$9 Billion Roofing Materials Market**

*(Excludes Roofing Accessories)*

## Installed Cost of a Typical Roof



***Asphalt Shingles – the Product of Choice***

# U.S. Asphalt Shingle Market

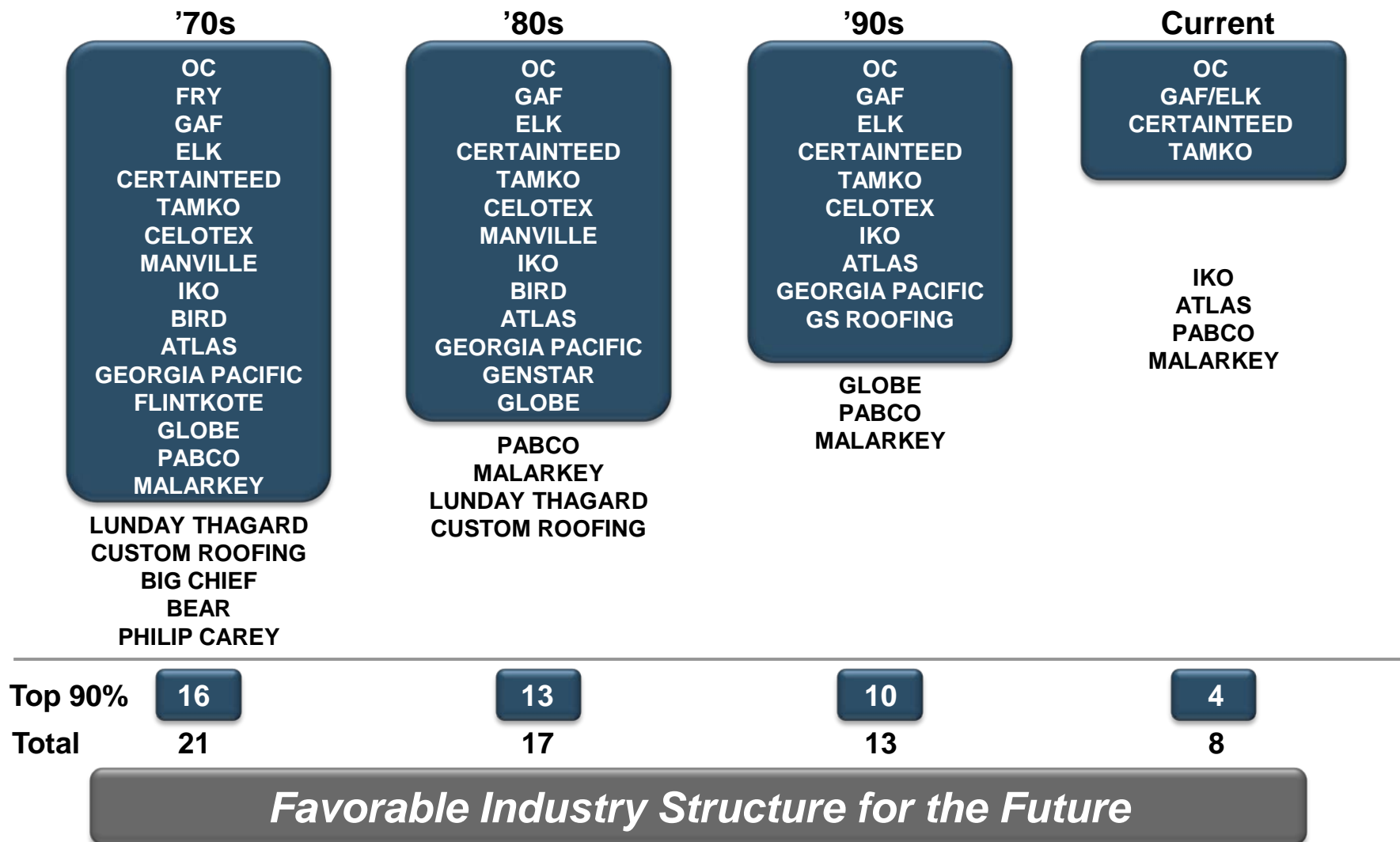
INVESTOR DAY 2012



- \$8 billion asphalt shingle and accessories market
- Demand tied to existing home sales
- Expect growth to long-term average demand over the next few years
- Re-roof represents 75% of demand on average with volatility in storm activity
- Well-structured industry

# U.S. Asphalt Shingle Industry Consolidation

INVESTOR DAY 2012

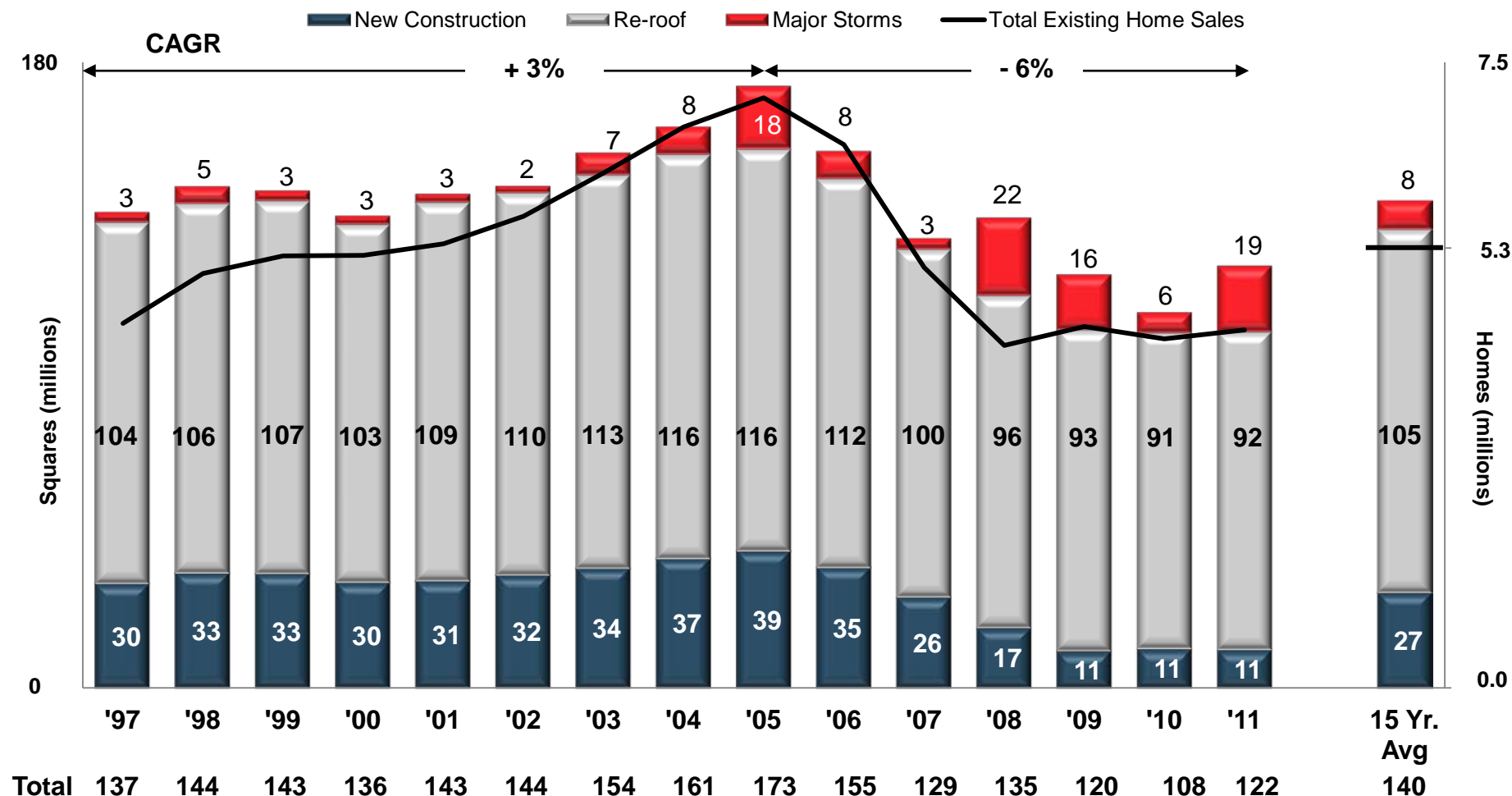




# U.S. Asphalt Shingle Market

## Improved Housing Supports Demand Growth

INVESTOR DAY 2012



**Recovery to 15-Year Average Represents a 30% Increase in Non-Storm Demand**

# Strong Market Presence

INVESTOR DAY 2012



## Owens Corning Customers (Examples)

Roofing Distribution  
(1-Step)



Beacon  
Roofing  
Supply



Building Materials  
Distribution  
(2-Step)



Retail



Pro Chain  
Lumberyard

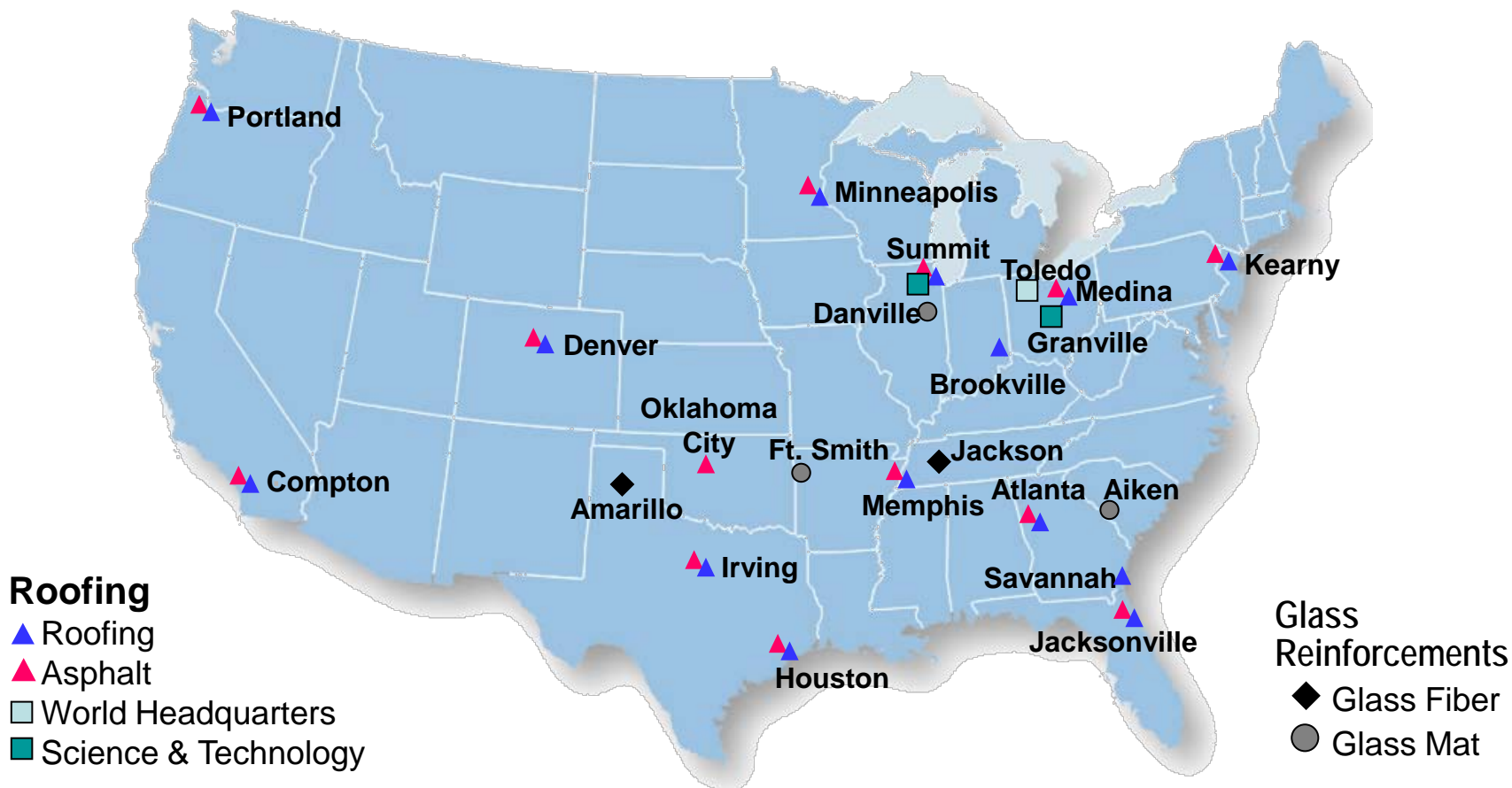


*Channel Diversity*

# Roofing Manufacturing Network

## Positioned to Grow

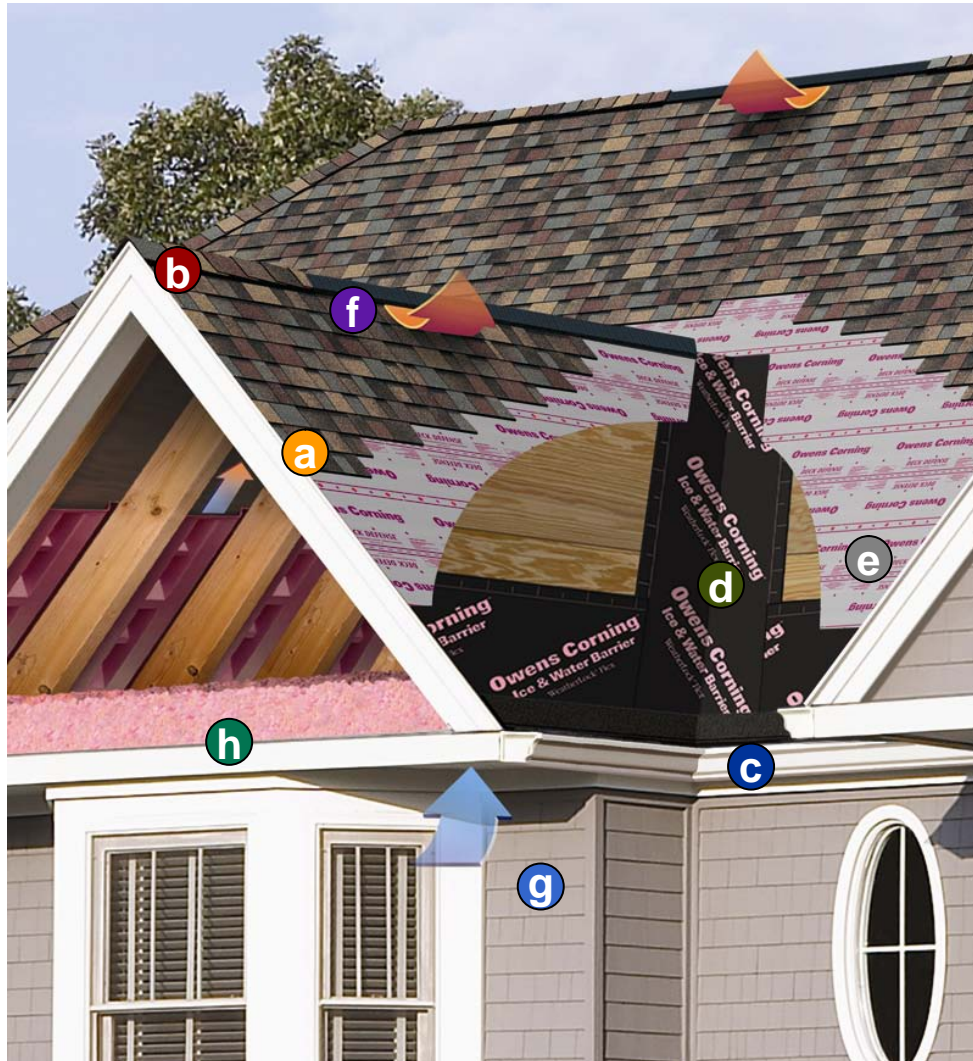
INVESTOR DAY 2012



*A National Network to Serve Our Customers*

# Innovative Roofing Products

INVESTOR DAY 2012



- a** Premium Roofing Shingles
- b** Hip & Ridge Shingles
- c** Starter Shingle Products
- d** WeatherLock® Ice and Water Barrier
- e** Underlayment
- f** VentSure® Ventilation Products
- g** Undereave Ventilation Products
- h** AttiCat® Expanding Blown-in PINK™ Fiberglas™ Insulation

## Trumbull® Asphalt





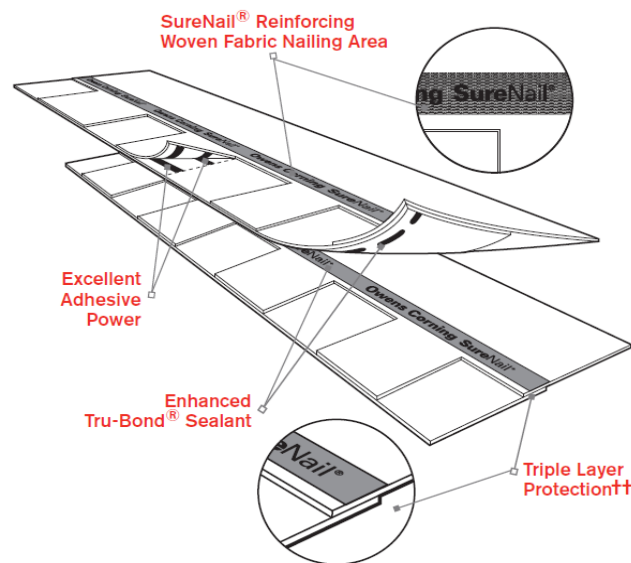
# Innovation

## TruDefinition® Duration® Series Shingles

INVESTOR DAY 2012



- True aesthetic enhancement
- True performance and ease of application
- True simplicity in selling
- True innovation advantage



***Patented Technology and Differentiated Value***

SureNail Technology US Patent 7,836,654 & other patents pending

++This illustration depicts Triple Layer Protection™ and the amount of Triple Layer Protection™ may vary on a shingle-to-shingle basis

# Owens Corning's Competitive Advantage

INVESTOR DAY 2012



- Focus on serving customers
- Strong brand
- Differentiated product offering
- National, flexible asset base – with capacity to serve market growth
- Vertical integration
- Talented team

*Serving Customers and Delivering Shareholder Value*



# Positioned for Growth

INVESTOR DAY 2012



- Great business in a well-structured industry
- Asphalt shingle market growing 5-8% (over the next 3-5 years on non-storm demand) driven by improving U.S. housing activity
- Continued improvements in shingle design, cost and mix
- Confidence in operating margins of mid-teens or better

***Strong Business Performance with  
Market Growth Opportunities***

# Building Materials

## Questions and Discussion

---

INVESTOR DAY 2012



- Customers
- Innovation
- Operational excellence
- Growth

# INVESTOR DAY

## Welcome to Owens Corning's Investor Day 2012



**March 9, 2012**