

Second Quarter 2008 Business Results

**Performance Marked by Continued Growth in Composites and
Return to Profitability of Roofing & Asphalt**

Mike Thaman, Chairman & CEO

Duncan Palmer, CFO

July 30, 2008



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Forward-Looking Statements and Non-GAAP Measures

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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 Current Report on Form 8-K filed with the Securities and Exchange Commission on July 30, 2008.



Second Quarter 2008 Business Results Today's Presentation

- **The Quarter in Review** **Mike Thaman**
- **Q2 2008 Financial Results** **Duncan Palmer**
- **Questions & Discussion** **All**
- **Closing Remarks** **Mike Thaman**



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Strong Second Quarter Drives Outlook for 2008

- **Performance**

- Achieved Composites margins of 11%
- Announced expansion of Composites facility in Russia
- Sustained Insulation profitability
- Executed strong quarter in Roofing & Asphalt
- Repurchased more than 1 million shares during the quarter
- Reduced employee injuries by 45%

- **Raising adjusted EBIT guidance for 2008 by 10% to at least \$265 million**



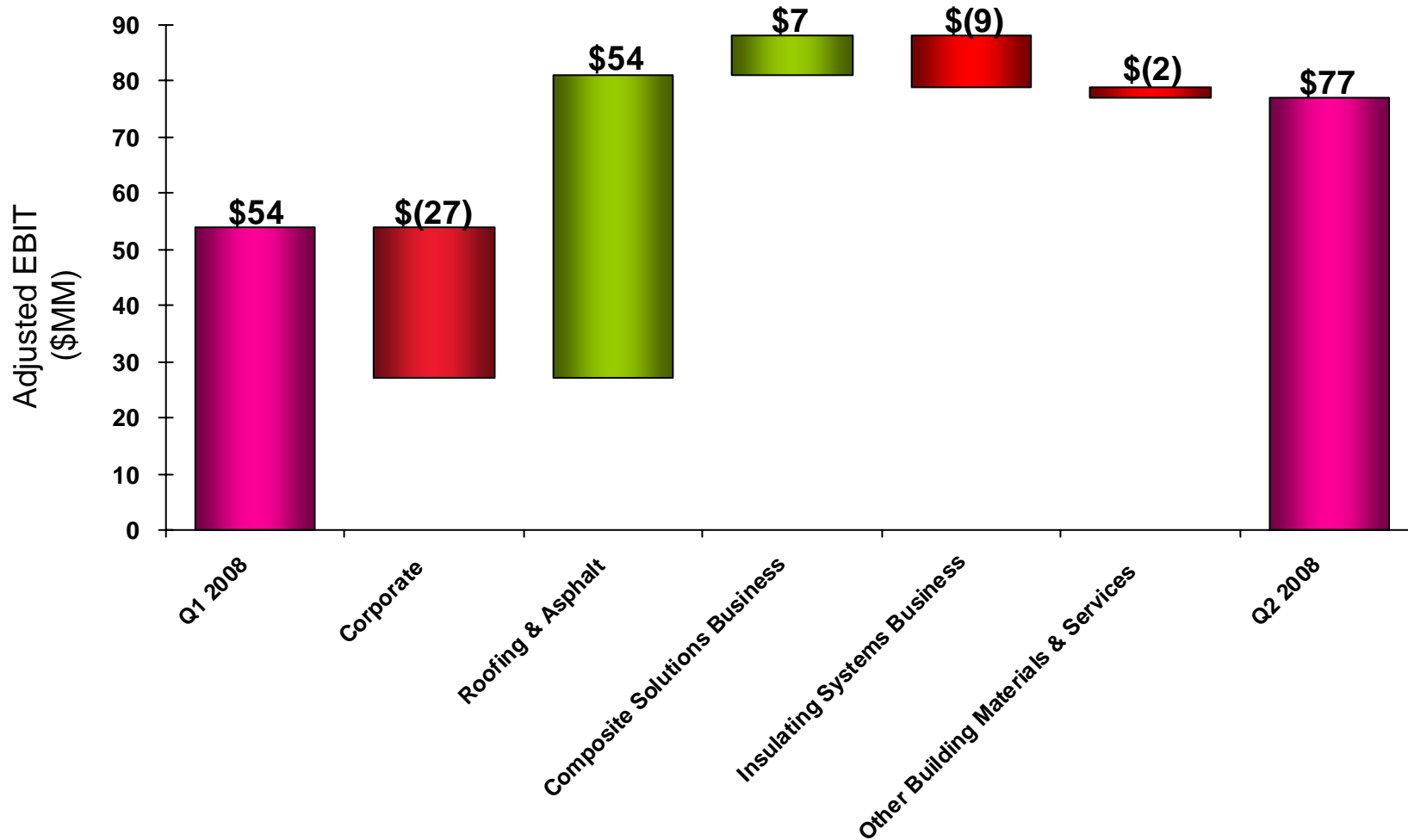
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Key Financial Data

(in millions, except per share data)	Q2-2008	Q2-2007	1H-2008	1H-2007
Net sales	1,574	1,282	2,927	2,406
Net earnings	31	29	16	30
Earnings from continuing operations	31	29	16	29
Earnings from discontinued operations	-	-	-	1
Reported EPS (diluted) from continuing operations	0.24	0.22	0.12	0.22
Reported EPS (diluted) from discontinued operations	-	-	-	0.01
EBIT from continuing operations	64	76	83	108
Adjusted EBIT from continuing operations	77	92	131	151
Adjusted EPS (diluted) from continuing operations	0.25	0.31	0.31	0.45
Adjusted EBIT as a % of sales	5%	7%	4%	6%
Marketing and administrative expenses	165	136	307	263
D&A from continuing operations	79	77	156	151
Debt, net of cash	1,979	1,985	1,979	1,985

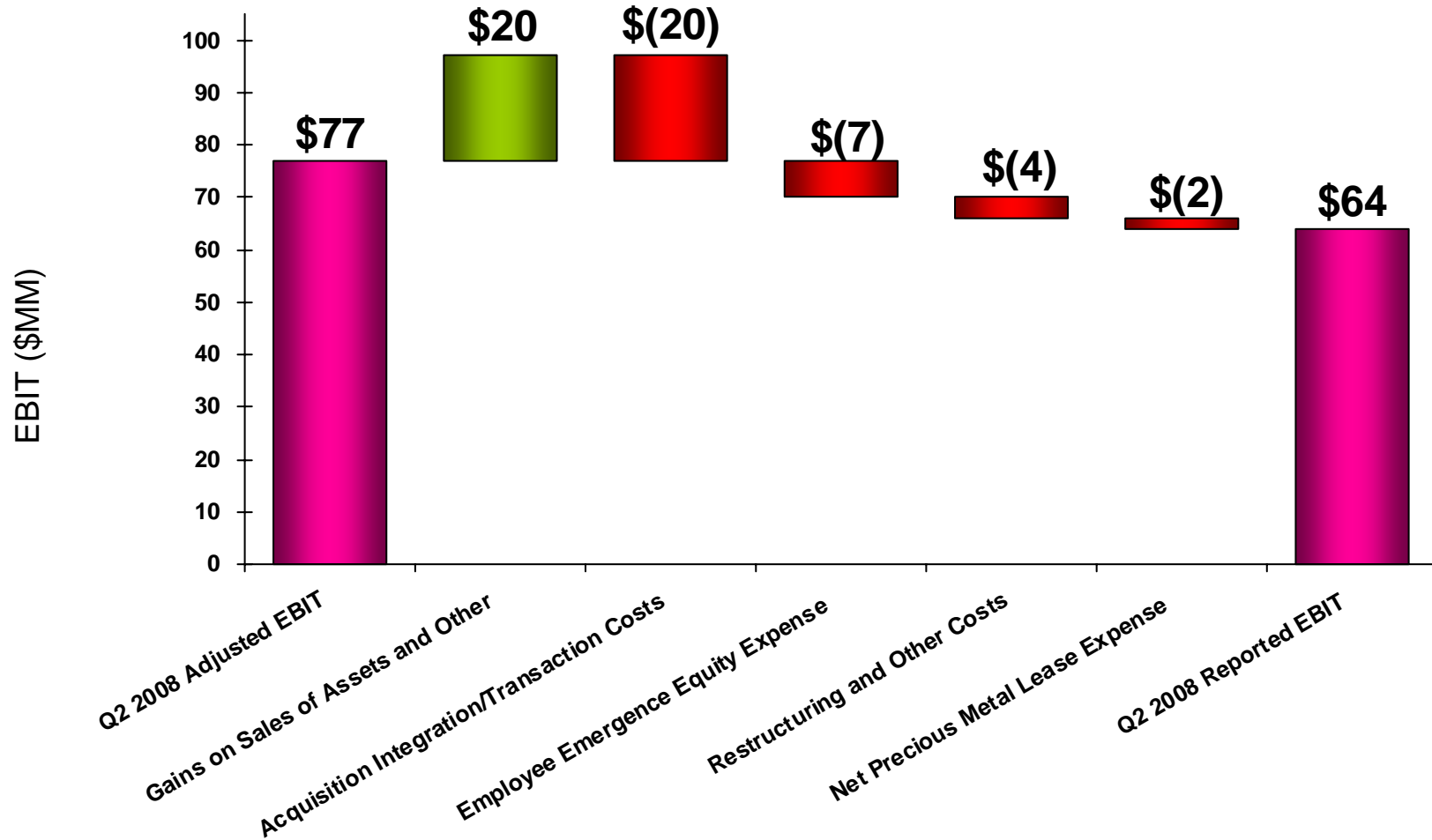


Adjusted EBIT by Business Segment Q1 2008 Compared with Q2 2008





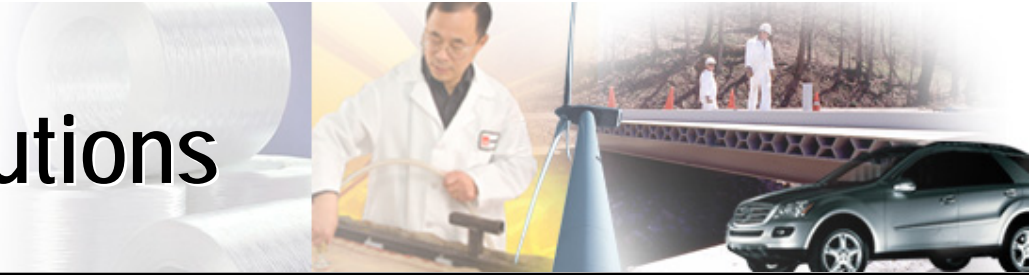
Q2 2008 Reconciliation from Adjusted to Reported EBIT





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Composite Solutions

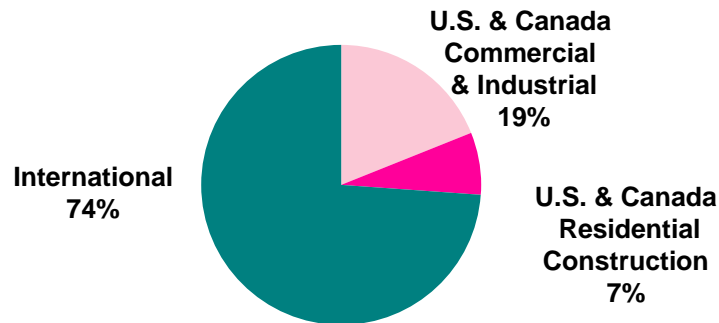


Q2 2008 Highlights

- Sales up 70% and EBIT up 173% year-over-year, primarily due to acquisition
- About one-half of earnings increase due to acquisition, net of the divestiture
- Improved productivity and increased sales volume
- Inflation not fully offset by higher prices

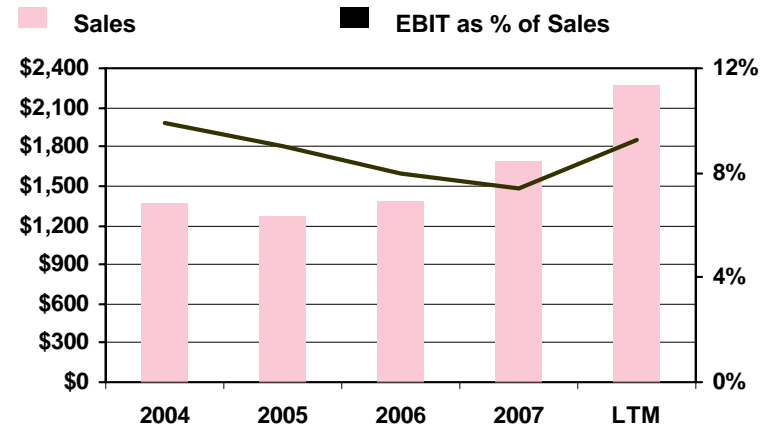
(\$in Millions)	Q2 2008	Q2 2007	% Change
Net sales	660	389	70%
EBIT	71	26	173%
EBIT as % of sales	11%	7%	
EBIT as % of all segments	65%	25%	
D&A	31	27	15%

Q2 2008 Revenue by End Market



Company estimates

Four-Year and LTM Financial Performance*



* 2004 is not recast for the effect of discontinued operations



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Insulating Systems

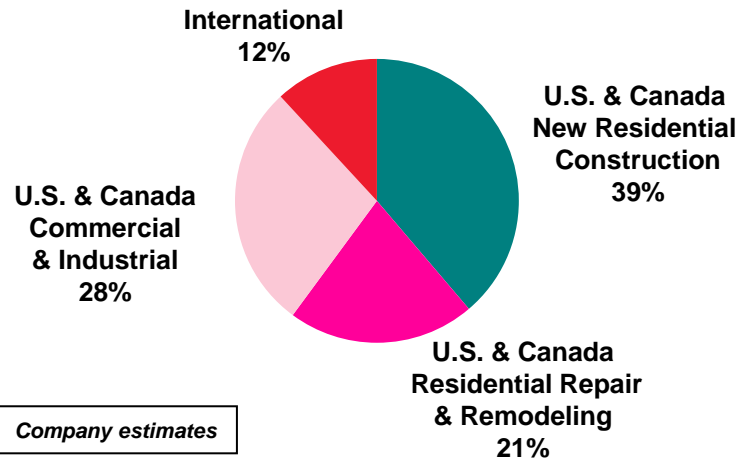


Q2 2008 Highlights

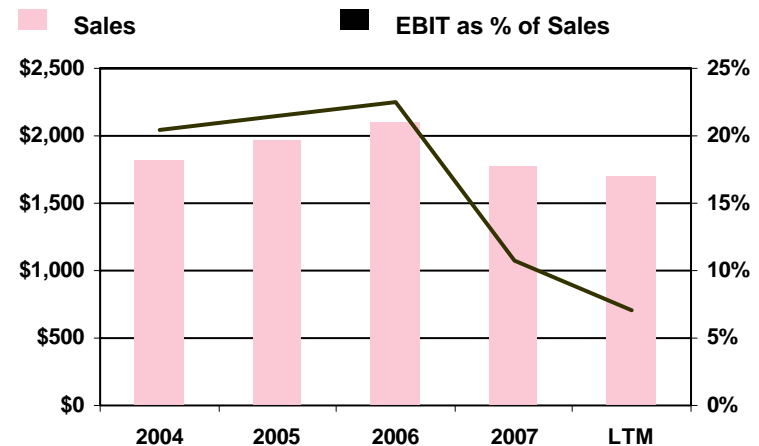
- Remained profitable in very weak U.S. housing market
- Sales down on lower volumes and price erosion
- About 90% of EBIT decline due to lower selling prices and inflation
- Commercial & industrial demand steady

(\$in Millions)	Q2 2008	Q2 2007	% Change
Net sales	413	441	(6)%
EBIT	7	42	(83)%
EBIT as % of sales	2%	10%	
EBIT as % of all segments	6%	41%	
D&A	28	31	(10)%

Q2 2008 Revenue by End Market



Four-Year and LTM Financial Performance





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Roofing & Asphalt

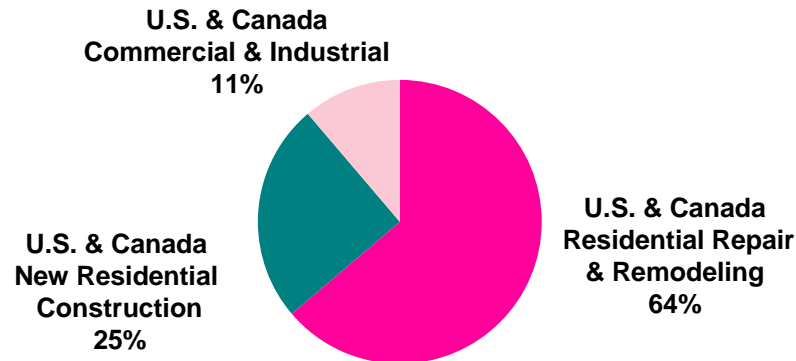


Q2 2008 Highlights

- Sales up 15% on higher selling prices
- EBIT up 28% on improved productivity from higher capacity utilization
- Selling price increases partially offset inflation leading to a return to profitability
- Storm-related demand to continue in Q3 2008

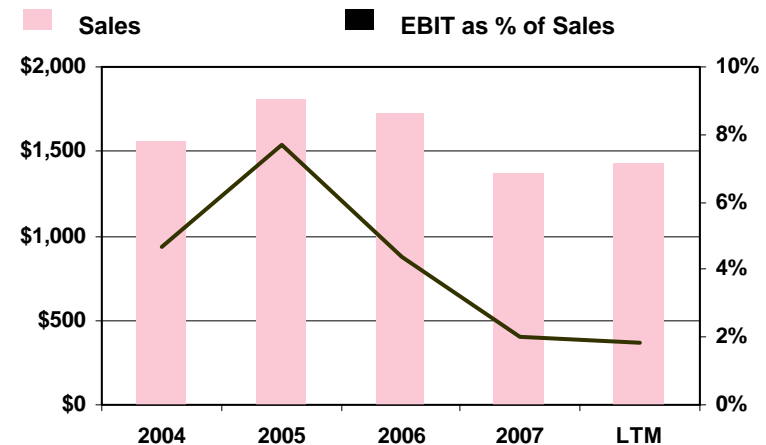
(\$in Millions)	Q2 2008	Q2 2007	% Change
Net sales	475	414	15%
EBIT	37	29	28%
EBIT as % of sales	8%	7%	
EBIT as % of all segments	34%	28%	
D&A	9	10	(10)%

Q2 2008 Revenue by End Market



Company estimates

Four-Year and LTM Financial Performance





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Other Building Materials & Services

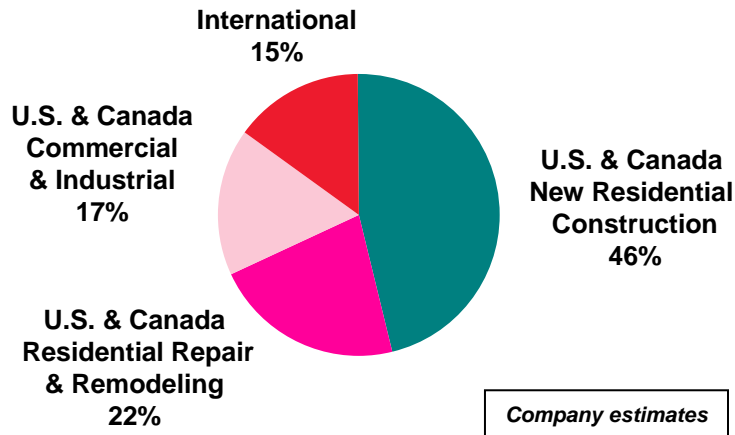


Q2 2008 Highlights

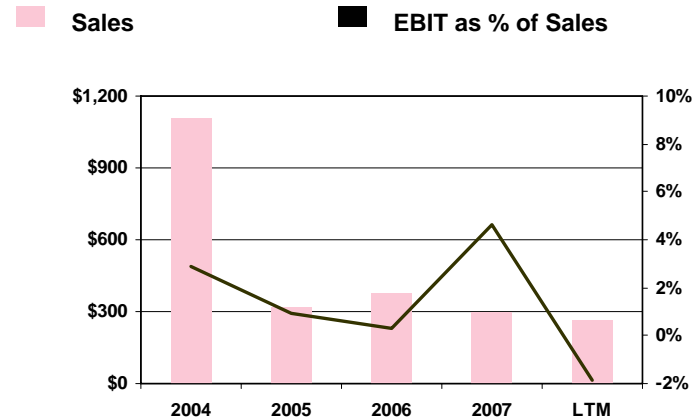
- *Masonry products continued to face weak construction-related demand leading to majority of the sales and EBIT decline*
- *Basement finishing and SunSuites™ sales down due to weak consumer credit markets and decline in home values.*

(\$in Millions)	Q2 2008	Q2 2007	% Change
Net sales	69	87	(21)%
EBIT	(5)	7	(171)%
EBIT as % of sales	(7)%	8%	
EBIT as % of all segments	(5)%	6%	
D&A	3	2	50%

Q2 2008 Revenue by End Market



Four-Year and LTM Financial Performance*



* 2004 not recast for the effect of discontinued operations



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Share Buy-Back Program

- **Announced a share buy-back program in the first quarter of 2007**
- **Authorized to repurchase up to 5%, approximately 6.5 million shares, of Owens Corning outstanding stock**
- **During Q2, Owens Corning repurchased 1,031,039 shares of the Company's common stock at an average price paid of \$23.55**



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Other Items

- **Capital expenditures estimated to be \$350 million in 2008**

- **Taxes**
 - Overall cash taxes paid in 2008 will be less than the \$40 million paid in 2007
 - Effective tax rate for U.S. operations will be about 35%
 - Effective tax rate for non-U.S. will be less than 25%
 - Blended rate may vary quarter to quarter

- **Energy used in manufacturing**
 - Represents about 10% of cost of sales
 - About 60% natural gas, 40% electricity

- **Liquidity position remains strong**

Questions & Discussion

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