



Fourth Quarter and Full-Year 2008 Results

A Successful Year in a Difficult Global Market

Mike Thaman, Chairman & CEO
Duncan Palmer, CFO

February 18, 2009



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Forward-Looking Statements and Non-GAAP Measures

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected in these statements. Such factors include, without limitation: economic and political conditions, including new legislation or other governmental actions; levels of residential and commercial construction activity; competitive factors; pricing pressures; weather conditions; our level of indebtedness; industry and economic conditions that adversely affect the market and operating conditions of our customers, suppliers or lenders; availability and cost of energy and materials; availability and cost of credit; interest rate movements; issues involving implementation of acquisitions, divestitures and joint ventures; our ability to use our net operating loss carryforwards; achievement of expected synergies, cost reductions and/or productivity improvements; issues involving implementation of new business systems; foreign exchange fluctuations; the success of research and development activities; difficulties in managing production capacity; labor disputes; and factors detailed from time to time in the Company's Securities and Exchange Commission filings. The information in this presentation speaks as of the date February 18, 2009 and is subject to change. The Company does not undertake any duty to update or revise forward-looking statements. Any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information.

Additional Company information is available on the Owens Corning Web site:
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 Current Report on Form 8-K filed with the Securities and Exchange Commission on February 18, 2009.



Fourth Quarter and Full-Year 2008 Business Results

Today's Presentation

- The Year in Review Mike Thaman
- Financial Results Duncan Palmer
- Questions & Discussion All
- Closing Remarks Mike Thaman





Achieved Goals in 2008

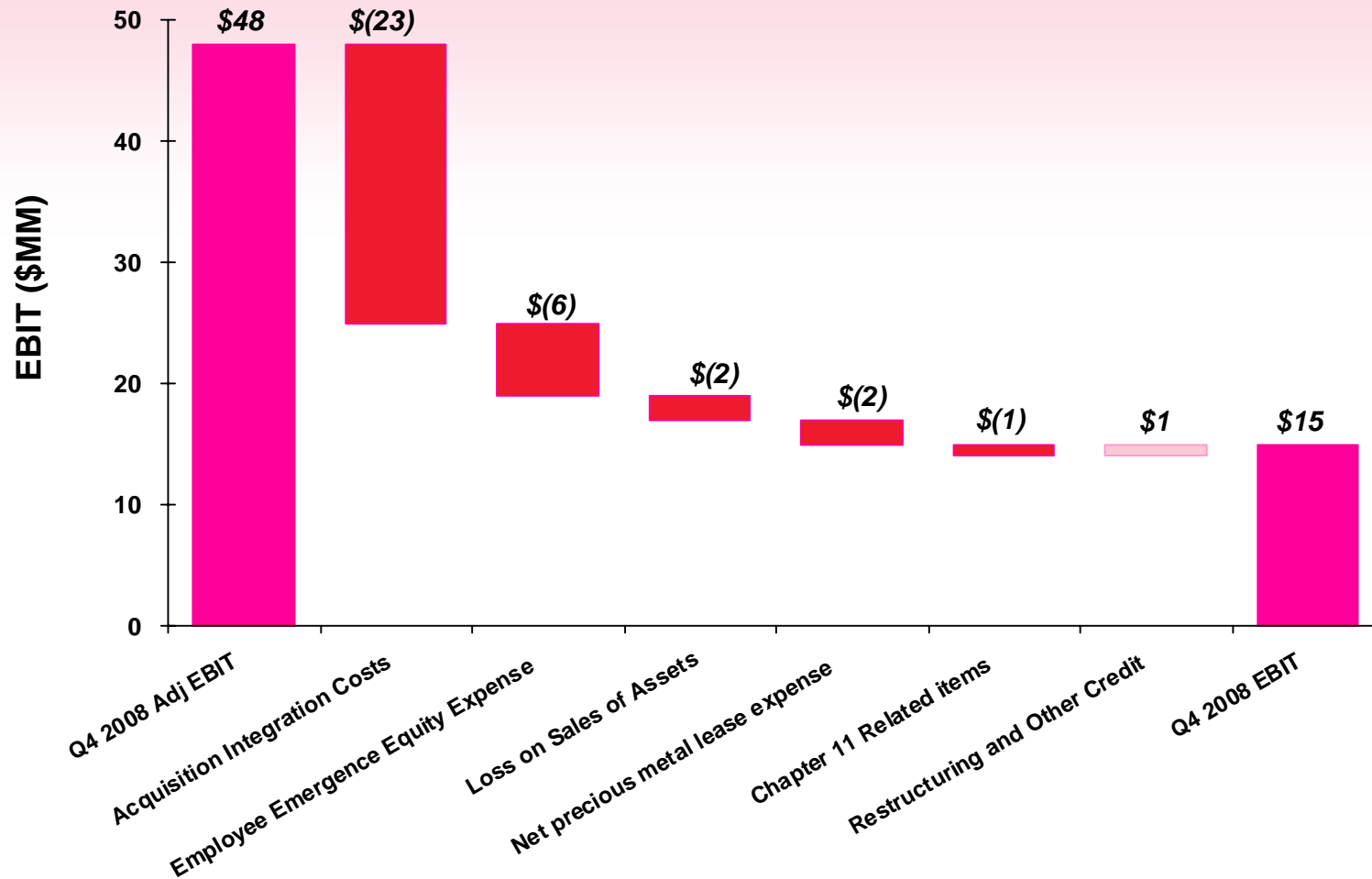
- Established a safer workplace
- Delivered cost reductions
- Approached double-digit Composites margins and exceeded the synergy target
- Reduced the size of the leased precious metals portfolio
- Delivered record year in Roofing and Asphalt
- Sustained a profitable Insulation segment
- Maintained a strong capital structure, with no significant debt maturities due until Q4 2011
- Delivered adjusted EBIT consistent with guidance

Key Financial Data

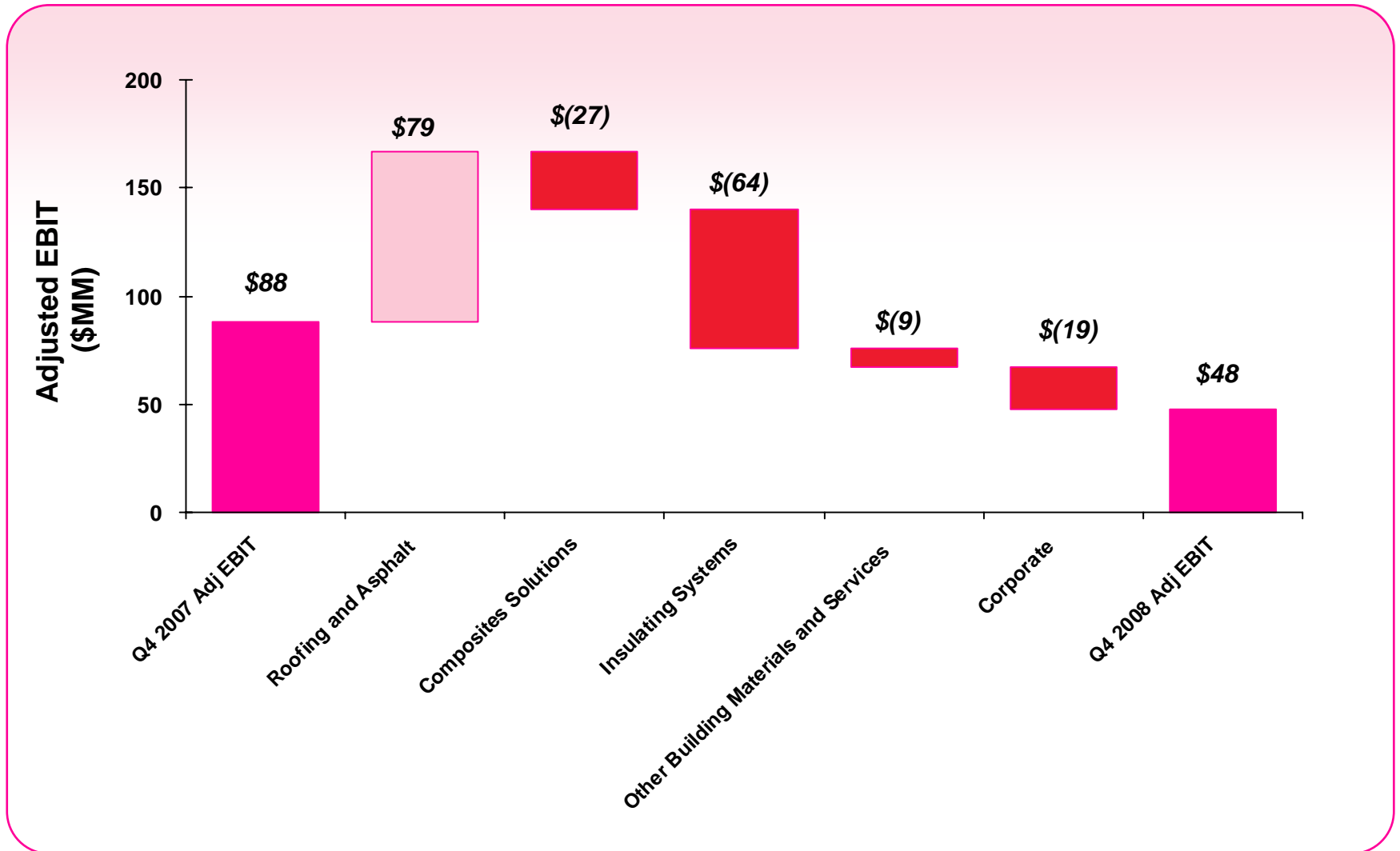
| (\$ in millions, except per share data) | 2008 | 2007 | Q4-2008 | Q4-2007 |
|---|--------|-------|---------|---------|
| Net sales | 5,847 | 4,978 | 1,291 | 1,304 |
| Net earnings (loss)* | (839) | 96 | (45) | (46) |
| Earnings (loss) from continuing operations* | (839) | 27 | (45) | (40) |
| Earnings from discontinued operations | - | 69 | - | (6) |
| EPS (diluted) from continuing operations* | (6.56) | 0.21 | (0.36) | (0.31) |
| EPS (diluted) from discontinued operations | - | 0.53 | - | (0.05) |
| EBIT from continuing operations | 196 | 145 | 15 | (46) |
| Adjusted EBIT from continuing operations | 290 | 341 | 48 | 88 |
| Adjusted EPS (diluted) from continuing operations | 0.95 | 1.23 | 0.13 | 0.31 |
| Adjusted EBIT as a % of sales | 5.0% | 6.9% | 3.7% | 6.7% |
| Marketing and administrative expenses | 617 | 498 | 159 | 133 |
| D&A from continuing operations | 331 | 333 | 91 | 99 |
| Debt, net of cash | 1,982 | 1,915 | 1,982 | 1,915 |

*Includes Impact of Income Tax Valuation Allowance

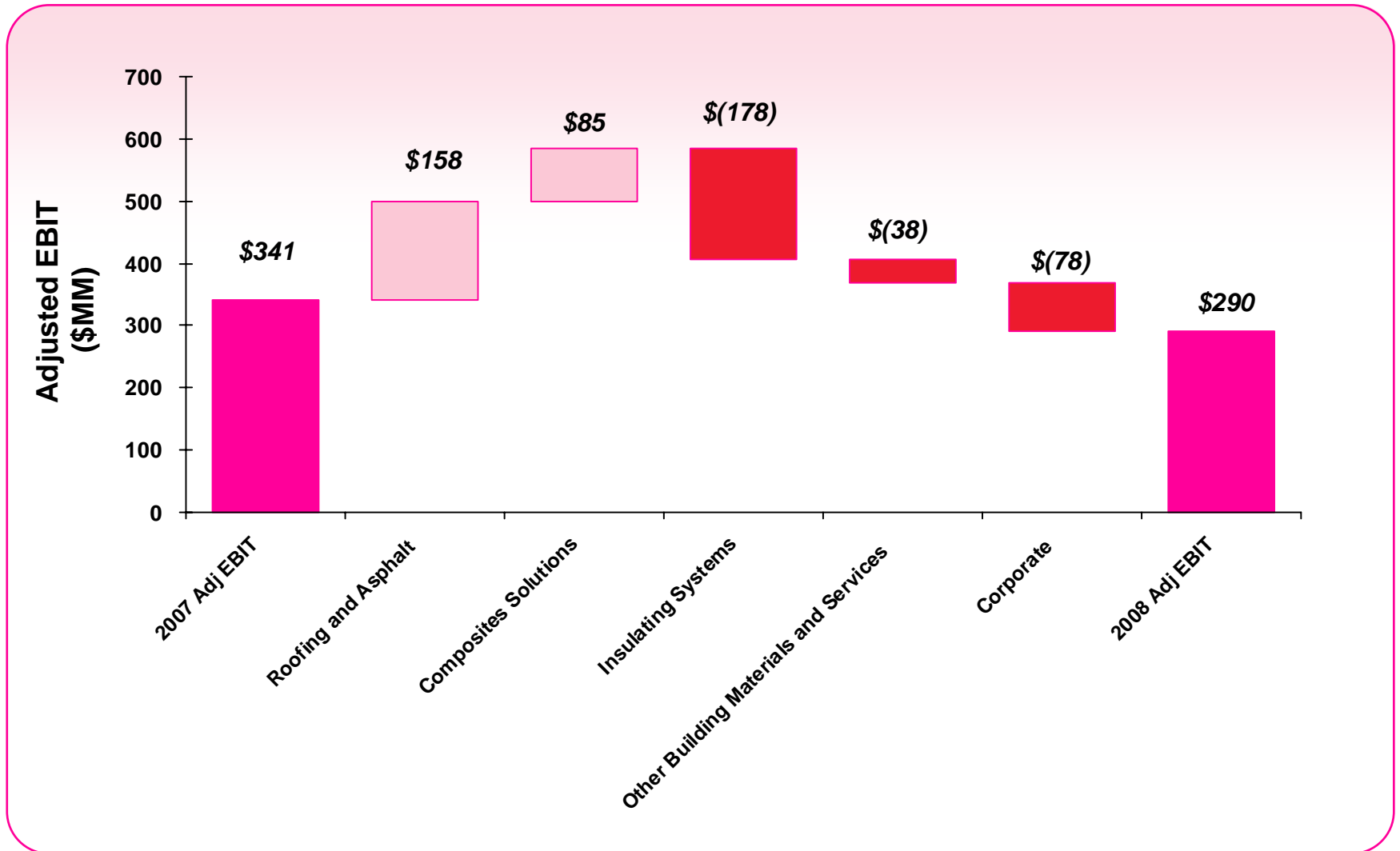
Reconciliation from Q4 2008 Adjusted EBIT to Q4 2008 EBIT



Adjusted EBIT by Business Segment Q4 2008 Compared with Q4 2007



Adjusted EBIT by Business Segment 2008 Compared with 2007



Composites

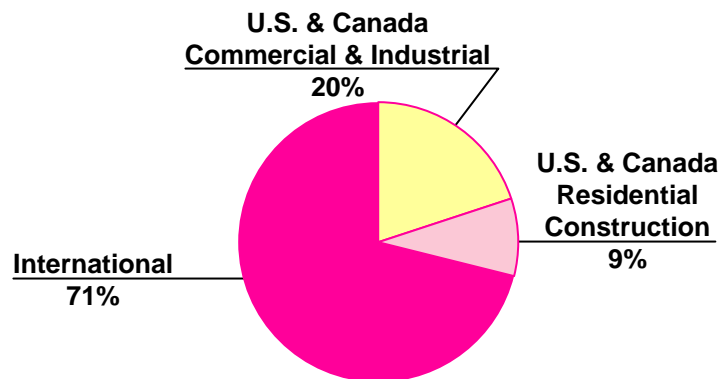
Q4/2008 Highlights

- Q4 impacted by the dramatic global economic slowdown
- Actions taken to align production capacity with demand
- Weakness expected to carry into 1H 2009
- Achieved synergies of \$50 million in 2008

| (\$ in millions) | 2008 | 2007 | Q4 2008 | Q4 2007 |
|---------------------------|-------|-------|---------|---------|
| Net sales* | 2,363 | 1,695 | 448 | 543 |
| EBIT | 208 | 123 | 19 | 46 |
| EBIT as % of sales | 9% | 7% | 4% | 8% |
| EBIT as % of all segments | 54% | 34% | 28% | 52% |
| D&A | 135 | 115 | 41 | 41 |

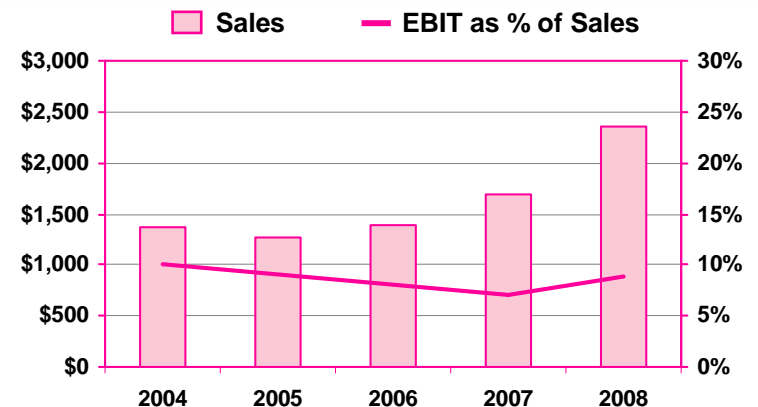
*Net sales before inter-segment eliminations

2008 Revenue by End Market



Company estimates

Five-Year Financial Performance*



*2004 is not recast for the effect of discontinued operations

Insulating Systems



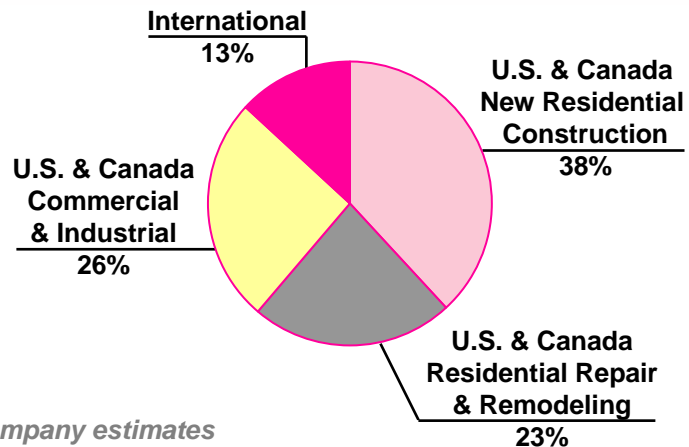
Q4/2008 Highlights

- Sales down as result of weak U.S. housing market
- Prices stabilized in 2H 2008
- EBIT decline due to lower volume and inflation
- Market weakness is expected to continue in 2009

| (\$ in millions) | 2008 | 2007 | Q4 2008 | Q4 2007 |
|---------------------------|-------|-------|---------|---------|
| Net sales* | 1,573 | 1,776 | 375 | 454 |
| EBIT | 14 | 192 | (9) | 55 |
| EBIT as % of sales | 1% | 11% | (2)% | 12% |
| EBIT as % of all segments | 4% | 54% | (13)% | 63% |
| D&A | 119 | 125 | 30 | 31 |

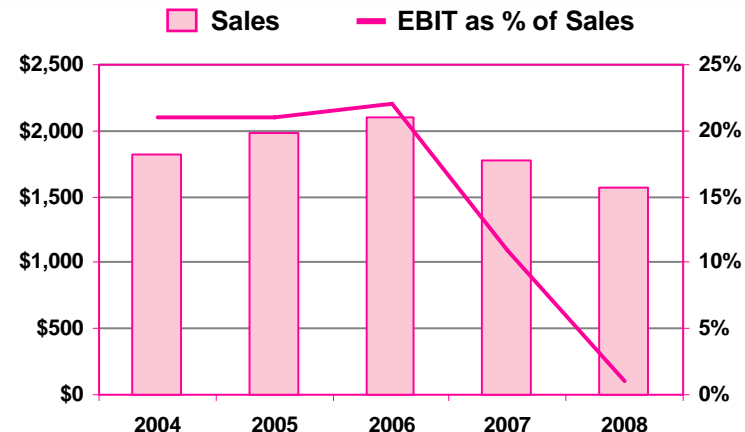
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2008 Revenue by End Market



Company estimates

Five-Year Financial Performance



Roofing and Asphalt

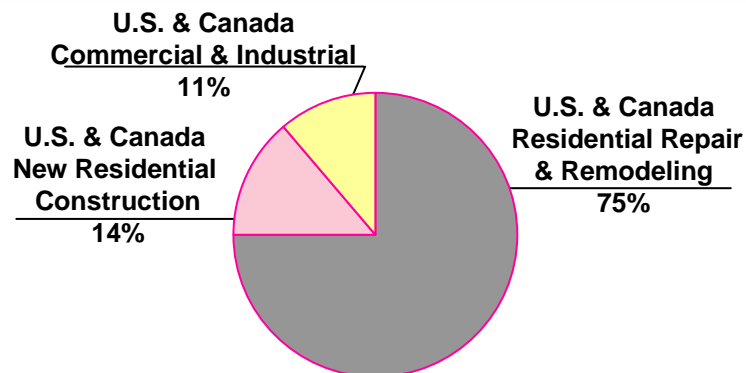
Q4/2008 Highlights

- Q4 sales up 69%
- Significant gains in manufacturing and material efficiencies and improved product mix drove EBIT performance in 2008
- Selling prices fully recovered raw material and delivery inflation
- Storm-related demand to continue into 2009

| (\$ in millions) | 2008 | 2007 | Q4 2008 | Q4 2007 |
|---------------------------|-------|-------|---------|---------|
| Net sales* | 1,863 | 1,375 | 466 | 276 |
| EBIT | 185 | 27 | 70 | (9) |
| EBIT as % of sales | 10% | 2% | 15% | (3)% |
| EBIT as % of all segments | 48% | 8% | 104% | (10)% |
| D&A | 42 | 40 | 12 | 10 |

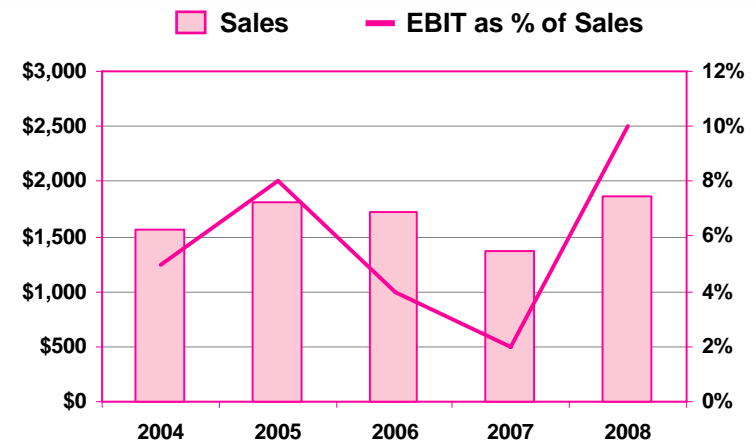
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2008 Revenue by End Market



Company estimates

Five-Year Financial Performance



Other Building Materials & Services



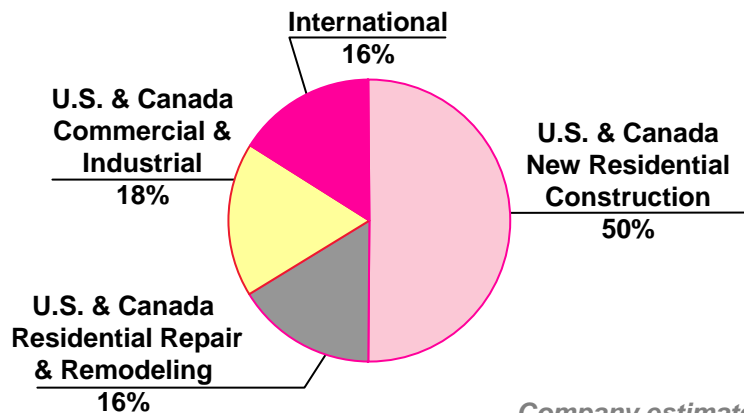
Q4/2008 Highlights

- Masonry Products continued to face weak construction-related demand
- Actions taken to further curtail capacity and reduce costs in Masonry Products
- Basement finishing and SunSuites™ sales down due to weak consumer credit markets and declining home valuations

| (\$ in millions) | 2008 | 2007 | Q4 2008 | Q4 2007 |
|---------------------------|-------|------|---------|---------|
| Net sales* | 235 | 301 | 46 | 67 |
| EBIT | (24) | 14 | (13) | (4) |
| EBIT as % of sales | (10)% | 5% | (28)% | (6)% |
| EBIT as % of all segments | (6)% | 4% | (19)% | (5)% |
| D&A | 12 | 10 | 3 | 2 |

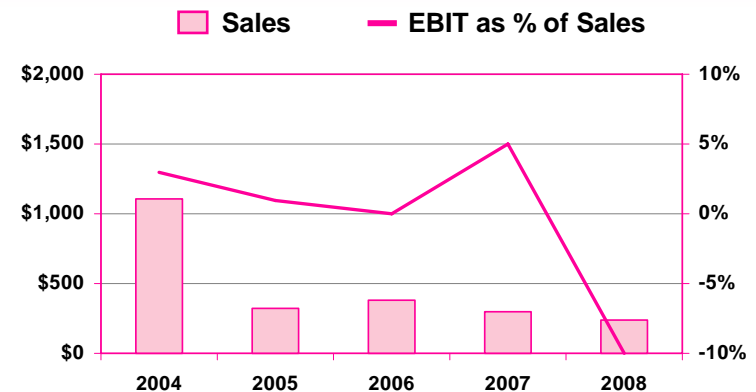
*Net sales before inter-segment eliminations

2008 Revenue by End Market



Company estimates

Five-Year Financial Performance*



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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 Q4 Owens Corning repurchased 1.8 million shares of the Company's common stock at an average price of \$19.43 per share
- In 2008 Owens Corning repurchased 4.7 million shares of the Company's common stock at an average price of \$21.47 per share
- As of December 31, 2008, the company has 1.9 million shares remaining available for repurchase under the current authorization

2008 Cash Taxes and Tax Expense

- Overall cash taxes in 2008 were \$33 million
 - Expected cash taxes in 2009 to total less than 2008
- Full year 2008 results include a \$909 million non-cash charge to establish a tax valuation allowance
 - No impact on cash flow, liquidity, credit facilities or ability to utilize our \$2.7 billion U.S. NOL
- Long term sustainable effective tax rate of 25%, based on blend of U.S. and non-U.S. operations
- To provide better comparability, the global book tax rate has been adjusted to 25% in calculating adjusted earnings

Strong Balance Sheet

- Owens Corning has a strong capital structure that provides ample liquidity and credit
 - No significant debt maturities coming due until Q4 2011
 - \$615 million available in the revolving credit facility
 - \$236 million cash on hand
- Capital expenditures will be less than \$275 million, compared with \$366 million in 2008
- Depreciation and Amortization expense will be approximately \$350 million in 2009



Questions & Discussion



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