April 30, 2002

BY FEDERAL EXPRESS

Honorable Jack B. Weinstein
Senior Judge, U. S. District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Honorable Burton R. Lifland
U.S. Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1208

Dear Judge Weinstein and Judge Lifland:

Enclosed are chambers' copies of the unaudited Financial Statements and Report of the Manville Personal Injury Settlement Trust ("the Trust"), as of March 31, 2001 and for the three months ending March 31, 2002, filed pursuant to Section 3.02(d)(ii) and (iii) of the Trust Agreement, which were electronically filed today with the Clerk of the United States Bankruptcy Court for the Southern District of New York.

OPERATIONS REVIEW

First Quarter 2002 Overview

During the seven years following the implementation of the revised Manville Trust Distribution Process (TDP) developed in Findley v. Falise (approved by the Courts in 1995 as part of the Stipulation of Settlement that resolved the Findley v. Falise class action, In re Joint E. and S. Dists. Asbestos Litig. (Findley v. Falise), 878 F. Supp. 473 (E. & S.D.N.Y. 1995), *aff'd in part, vacated and remanded on other grounds*, 78 F.3d 764 (2d Cir. 1996)), the Trust has received approximately 334,400 new claims, which brings total claims filed with the Trust as of March 31, 2002 to 582,600. Excluding almost $124 million in co-defendant and JM liquidated claims, the Trust has paid approximately 449,000 claimants a total of over $2.7

billion, of which about 421,400 claims were paid under the TDP. Additionally, over 41,000 claim filings have been disqualified or voided.

At the end of the First Quarter, the Trust had 49,800 active, unsettled claims. This included 22,500 outstanding offers and deficiency notices, 2,000 claims scheduled for offer and 25,300 claims in process. The Trust also had 42,800 inactive, unsettled claims due to lapsed offers and deficiency notices. First Quarter claim activity may be misleading, when compared to other quarters, due to claim filing restrictions placed on law firms until the May 2002 implementation of e-Claims.

Individual Evaluation Process

While most claimants settle their claims by accepting the Scheduled Value Offer, some request Individual Evaluation (IE) if the claim does not meet the criteria of any of the TDP seven Scheduled Values or if the claimants believe the claim has a value higher than the Scheduled Value. In the First Quarter of 2002, the Trust received 32 requests for IE, resolved 60 IE claims, and at the Quarter's end had 619 outstanding IE requests. .

Since the 1996 implementation of the IE program, 9,168 claims have been resolved through IE or about 2% of all resolved TDP claims. However, most of those claims were resolved for their respective Scheduled Values and only 1% of TDP settlements were resolved for an individually negotiated value.

e-CLAIMS™

During the First Quarter, the Claims Resolution Management Corporation (CRMC) staff trained 162 lawyers and paralegals from 63 law firms in the electronic claims filing system (e-Claims™) developed by the CRMC staff. e-Claims™ users are required to pass a certification examination before they can file electronically, and almost all of the trainees passed the examination (a grade of 92% or higher is required).

Scores of state and federal courts (including Judge Lifland's Court) now require lawyers to file pleadings and related documents electronically, and now that the Trust has received almost 600,000 paper claims, the Trustees believe that the claims audit capabilities of e-Claims, coupled with the substantial reduction in Trust administrative costs, compel the conclusion that electronic claims filing more efficiently meets the demands of increased volumes of claims and best serves the Manville Trust beneficiaries.

Some have expressed a concern that while e-Claims will reduce transaction costs for present and future beneficiaries and all participants, including the Trust, the ease of filing and reduced transaction costs may result in some law firms filing claims they otherwise would not file. We believe that concern is unwarranted.

The law firms that file most Trust claims already have developed routinized claims filing systems, staffed by non-lawyers, that make it rewarding to file a large volume of claims that produce only a small legal fee per claim. Almost all law firms that file large numbers of asbestos claims already download the claim information from the firm's electronic claimant data base and it does not make a significant difference to these firms whether they reduce the electronic images to paper and then file them, or simply transmit the data electronically.

These law firms might not have developed these systems if their only compensation were the legal fees available from Manville Trust settlements. Currently, the average legal fee for non-malignancy claim is approximately $400 under the TDP (which limits fees to 25% of Trust settlement payments). However, there are presently at least five asbestos trusts that also pay non-malignancy claimants. The legal fees accumulated through voluminous settlements with multiple trusts make their systems for filing non-malignancy claims profitable. Soon there will be fifteen or more trusts (eleven or more are in formation) creating even greater incentives to file these claims. Stated differently, the incentive to file non-malignant claims is driven more by whether other asbestos trusts will pay the same claims than by the Manville Trust claim filing system. The plaintiffs' bar involved in those bankruptcies has been negotiating changes in the handling of such non-malignant claims for more than four months and the Trust desires to make similar changes in the TDP when more is known about the outcome of such negotiations.

In addition, because of its comprehensive e-Claims audit program, it is very unlikely that the Trust will pay any significant number of claims that it otherwise would not have paid if it manually examined every claim and every medical report. Stated differently, the e-Claims audit program will be equally as effective and substantially more efficient than a paper filing system.

The e-Claims system is scheduled to be operative toward the end of May. If concerns over the effects of this program linger and the Courts wish to learn more, we respectfully ask for the opportunity to demonstrate, either formally or informally, the e-Claims process.

FINANCIAL SUMMARY

Consolidated operating expenses for the three months ended March 31, 2002, excluding income taxes, were $2.4 million compared to $6.4 million for the same period in 2001. The decrease in operating costs in 2002 is due in part to the staff reductions during 2001 associated with the e-Claims reorganization. Personnel costs are approximately 44% less for the first quarter of 2002 compared to 2001. In addition, professional fees for the first quarter of 2001 included approximately $2.9 million in costs for the tobacco litigation that was concluded in 2001.

During the three months ended March 31, 2002, Net Claimants' Equity increased by $2.5 million. The significant additions to Net Claimants' Equity were investment income of $15.8 million and a decrease in outstanding claim offers of $7.3 million pending implementation of e-Claims processing. Deductions to Net Claimants' Equity included $16 million in settled claims and $4.4 million in operating expenses, including income taxes.

During the quarter the Trust paid 6,508 claimants approximately $16 million. This compares to over 25,000 settlements and $107 million paid during the first quarter of 2001. The reduction is due to the Trust making only limited number of new offers during the development of the e-Claims process. Since TDP implementation, operating expenses, excluding class action, litigation costs and JM asset management expenses, represent 4.1% of total Trust expenditures.

ASSET MANAGEMENT

As of March 31, 2002, after the sale of Johns Manville Corporation to Berkshire Hathaway, Inc. in February, 2001, approximately $1,039 million (53%) of the Trust's investments were in diversified equities, $736 million (37%) in fixed income securities and the remaining $195 million (10%) in cash equivalents. At the end of last year, about 50% of the Trust Estate was invested in diversified equities. The 3% increase is principally due to a new investment of $40 million (2% of the Trust Estate) in a U.S. small capitalization growth fund and, to a lesser extent, on an improved equity market during the first quarter of 2002.

During the quarter ending March 31, 2002, the return on the Trust's equity investments was about 1%, in line with the broad U.S. equity market. The Trust's fixed income investments, including cash equivalents, generated a positive return of about .35% and the total combined portfolio returned approximately .82%.

The Trust continues to consider new investment opportunities, but any significant changes in the portfolio depend on the timing and magnitude of future claim payments. Such estimates may be materially changed by proposed TDP amendments and, therefore, pending completion of amendment discussions with the SCB and the Legal Representative for Future Claimants, which we hope can be completed in the near future, no significant asset re-allocations are anticipated.

Yours very truly,

/s/ Robert A. Falise

Robert A. Falise
Chairman and Managing Trustee

Enclosure

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

Special-Purpose Unaudited Consolidated Financial Statements
As of March 31, 2002 and 2001

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

The consolidated financial statements included herein are unaudited. In the opinion of the management of the Trust, the accompanying consolidated financial statements present fairly, subject to normal year-end adjustments, the consolidated net claimants' equity as of March 31, 2002 and 2001 and the consolidated changes in net claimants' equity and cash flows for the three months ended March 31, 2002 and 2001 presented on the special-purpose basis of accounting described in Note 2, which accounting methods have been applied on a consistent basis.

_/signed/__Mark E. Lederer____
Mark E. Lederer
Chief Financial Officer

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED STATEMENTS OF NET CLAIMANTS' EQUITY
AS OF MARCH 31, 2002 AND 2001

	2002	2001
ASSETS:		
Cash equivalents and investments (Notes 1 & 2)		
Available-for-sale non-JM		
Restricted (Note 7)	$70,866,928	$70,598,449
Unrestricted non-JM	1,889,972,989	2,083,801,608
Total cash equivalents and investments	1,960,839,917	2,154,400,057
Accrued interest and dividend receivables	9,356,106	10,115,910
Deposits and other assets	197,410	139,088
Total assets	1,970,393,433	2,164,655,055
LIABILITIES:		
Accrued expenses	3,695,245	14,245,778
Unpaid claims (Notes 3, 5 and Exh. III)		
Settled Pre-Class Action complaint	1,014,773	1,091,073
Outstanding Offers - Post Class Action complaint	37,195,343	43,217,515
Contribution and indemnity claims payable		
(Notes 3 and Exh. III)		120,380
Lease commitments payable (Note 4)	1,125,357	1,752,943
Total liabilities	43,030,718	60,427,689
NET CLAIMANTS' EQUITY (Note 5)	$1,927,362,715	$2,104,227,366

The accompanying notes are an integral part of these consolidated statements.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	2002	2001
NET CLAIMANTS' EQUITY,		
BEGINNING OF PERIOD	$1,924,901,736	$2,154,502,680
ADDITIONS TO NET CLAIMANTS' EQUITY:		
Reimbursement by JM of prior years foreign income taxes		124,601
Payment for assumption of income tax liability		90,000,000
Non-JM investment income (Exh. I)	15,801,742	15,346,927
Realized gain on sale of JM stock		1,232,982,811
Net reduction in outstanding claim offers	7,298,275	35,254,903
Decrease in lease commitments payable	157,989	143,524
Total additions	23,258,006	1,373,852,766
DEDUCTIONS FROM NET CLAIMANTS' EQUITY:		
Operating expenses (Exh. II)	2,395,342	6,384,022
Provision for income taxes (Exh. II)	2,046,300	725,000
Management expenses for investments in JM		105,629
Net increase in outstanding claim offers		
Claims settled	15,992,408	106,676,576
Contribution and indemnity claims settled	83,879	1,003,628
Net unrealized losses on non-JM available-for-sale securities	279,098	70,183,965
Unrealized loss on JM stock		1,239,049,260
Total deductions	20,797,027	1,424,128,080
NET CLAIMANTS' EQUITY,		
END OF PERIOD	$1,927,362,715	$2,104,227,366

The accompanying notes are an integral part of these consolidated statements.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	2002	2001
CASH INFLOWS:		
Investment receipts	15,858,259	13,037,652
JM dividends		$6,763,849
Reimbursement by JM of prior years foreign income taxes		124,601
Payment for assumption of income tax liability		90,000,000
Sale of JM stock		1,329,000,647
Change in deposits and other assets		136,398
Investment receipts on escrow accounts (Note 8)		4,002
Total cash inflows	15,858,259	1,439,067,149
CASH OUTFLOWS:		
Claim payments made	15,992,408	106,932,176
Contribution and indemnity claim payments	86,098	1,100,628
Total cash claim payments	16,078,506	108,032,804
Disbursements for Trust operating, dispute resolution, and income taxes	2,485,747	11,548,054
Change in deposits and other assets	4,488	
Total cash outflows	18,568,741	119,580,858
NET CASH INFLOWS (OUTFLOWS)	(2,710,482)	1,319,486,291
NON-CASH CHANGES:		
Net unrealized (losses) on non-JM available-for-sale securities	(279,098)	(70,183,965)
NET INCREASE (DECREASE) IN CASH EQUIVALENTS AND NON-JM INVESTMENTS AVAILABLE-FOR-SALE	(2,989,580)	1,249,302,326
CASH EQUIVALENTS AND NON-JM INVESTMENTS AVAILABLE-FOR-SALE, BEGINNING OF PERIOD	1,963,829,497	905,097,731
CASH EQUIVALENTS AND NON-JM INVESTMENTS AVAILABLE-FOR-SALE, END OF PERIOD	$1,960,839,917	$2,154,400,057

The accompanying notes are an integral part of these consolidated statements.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2002 AND 2001

(1) DESCRIPTION OF THE TRUST

The Manville Personal Injury Settlement Trust (the Trust), organized pursuant to the laws of the state of New York with its office in Katonah, New York, was established pursuant to the Manville Corporation (Manville or JM) Second Amended and Restated Plan of Reorganization (the Plan). The Trust was formed to assume Manville's liabilities resulting from pending and potential litigation involving (i) individuals exposed to asbestos who have manifested asbestos-related diseases or conditions, (ii) individuals exposed to asbestos who have not yet manifested asbestos-related diseases or conditions and (iii) third-party asbestos-related claims against Manville for indemnification or contribution. Upon consummation of the Plan, the Trust assumed liability for existing and future asbestos health claims. The Trust's initial funding is described below under "Funding of the Trust." The Trust's funding is dedicated solely to the settlement of asbestos health claims and the related costs thereto, as defined in the Plan. The Trust was consummated on November 28, 1988.

In December 1998, the Trust formed a wholly-owned corporation, the Claims Resolution Management Corporation (CRMC), to provide the Trust with claim processing and settlement services. Prior to January 1, 1999, the Trust provided its own claim processing and settlement services. CRMC began operations on January 1, 1999 in Fairfax, Virginia. The accounts of the Trust and CRMC have been consolidated for financial reporting purposes. All significant balances and transactions between the Trust and CRMC have been eliminated in consolidation.

Funding of the Trust

The Trust was initially funded from the following sources:

- Manville provided $150 million in cash plus $5.4 million in accrued interest. At consummation, the Trust was required to transfer approximately $27.5 million to the Manville Property Damage Settlement Trust.

- Insurance settlement proceeds totaling $695 million, which included $72 million in interest thereon.

- 24,000,000 shares of Manville Common Stock (50% of Manville Common Stock outstanding at consummation).

- 7,200,000 shares of a new Series A Convertible Preferred Stock of Manville. In December 1992, these shares were converted into 72,000,000 shares of Manville Common Stock.

- A $50 million interest-bearing note receivable (the Trust Note) payable in equal installments in 1990 and 1991. In December 1989, Manville prepaid the Trust Note. The payment included the $50 million in principal and $8.1 million in accrued interest.

- Up to $1.65 billion pursuant to the terms of a bond (the Trust Bond). The Trust Bond initially provided for semi-annual installments of $37.5 million commencing in 1991 and ending in 2012. In 1994, the Trust Bond was prepaid.

- Up to $150 million pursuant to the terms of a second bond (the Trust Second Bond). The Trust Second Bond required Manville to pay the Trust $37.5 million semi-annually in the years 2013 and 2014. On June 30, 1999, the Trust Second Bond was prepaid.

- Up to 20% of Manville's profits as defined in the Plan, payable beginning in 1992 with respect to the prior year's profits (the Profit Sharing Rights). In April 1996, the Profit Sharing Rights were exchanged for an additional 32,527,110 shares of Manville Common Stock.

Manville Stock Interests

On December 19, 2000, JM entered into a definitive merger agreement pursuant to which Berkshire Hathaway, Inc. (Berkshire) agreed to acquire all of the outstanding shares of JM for $13 per share in cash. In addition, the Trust in a separate agreement with Berkshire agreed to tender its shares of JM. On December 28, 2000 JM repurchased 10.5 million shares of its common stock from the Trust for $136.5 million, reflecting the purchase price of $13 per share in the transaction with Berkshire. On February 26, 2001 the Trust tendered all its shares and received approximately $1.3 billion for its remaining 102,230,819 shares of JM common stock, net of transaction costs of approximately $12.5 million. In addition, JM paid the Trust $90 million in settlement of JM's obligation for future income taxes of the Trust (Note 8).

(2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States. The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. These special-purpose accounting methods are enumerated as follows:

(1) The financial statements are prepared using the accrual basis of accounting.

(2) The funding received from JM and its liability insurers has been recorded directly to net claimants' equity. These funds do not represent income of the Trust. Settlement offers for asbestos health claims are reported as deductions in net claimants' equity and do not represent expenses of the Trust.

(3) Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed as they are incurred. These costs include acquisition costs of computer hardware, software, software development, office furniture and leasehold improvements.

(4) Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net claimants' equity. Accordingly, the future

minimum rental commitments outstanding at period end for non-cancelable operating leases, net of any sublease agreements, have been recorded as deductions to net claimants' equity.

(5) The liability for unpaid claims reflected in the statements of net claimants' equity represents settled but unpaid claims and outstanding settlement offers. Post-Class Action complaint claims' liability is recorded once a settlement offer is made to the claimant (Note 3) at the amount equal to the expected pro rata payment. No liability is recorded for future claim filings and filed claims on which no settlement offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

(6) Available-for-sale securities are recorded at market. All interest and dividend income, as well as net realized gains/losses, on non-JM available-for-sale securities are included in non-JM investment income on the statements of changes in net claimants' equity. Realized gains on JM common stock and unrealized gains and losses on non-JM available-for-sale securities are recorded as separate components on the statements of changes in net claimants' equity.

Realized gains/losses on both non-JM available-for-sale securities and JM common stock are recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized holding gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the accompanying statements of changes in net claimants' equity.

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates. The most significant estimates with regard to these financial statements relate to unpaid claims, as discussed in Notes 3 and 5.

(b) Cash Equivalents and Non-JM Investments

At March 31, 2002 and 2001, the Trust has recorded all its non-JM investment securities at market value, as follows:

	2002		2001	
	Cost	Market	Cost	Market
Restricted				
Cash equivalents	$1,971,013	$1,971,013	$2,227,569	$2,227,569
U.S. Govt. obligations	9,777,470	9,958,805	10,628,737	10,907,030
Corporate and other debt	9,179,658	9,203,859	7,144,426	7,295,934
Equities – U.S.	44,142,737	49,733,251	47,677,179	50,167,916
Total	$65,070,878	$70,866,928	$67,677,911	$70,598,449

	2002		2001	
	Cost	Market	Cost	Market
Unrestricted				
Cash equivalents	$230,538,354	$230,538,354	$564,088,887	$564,088,887
U.S. govt. obligations	301,275,944	302,683,430	327,085,297	331,682,729
Foreign govt. obligations			1,478,727	1,549,805
Corporate and other debt	370,478,097	369,292,154	306,239,237	309,553,490
Equities – U.S.	918,016,922	893,552,952	859,520,220	824,522,086
Equities – International	102,561,282	93,906,099	52,729,322	52,404,611
Total	$1,922,870,599	$1,889,972,989	$2,111,141,690	$2,083,801,608

The Trust invests in two types of derivative financial instruments. Equity index futures are used as strategic substitutions to cost effectively replicate the underlying index of its domestic equity investment fund. At March 31, 2002, the fair value of these instruments was approximately $5.6 million and was included in non-JM investments available-for-sale on the statement of net claimants' equity. Foreign currency forwards are utilized for both currency translation purposes and to economically hedge against the currency risk inherent in foreign equity issues and are generally for periods up to 90 days. At March 31, 2002, the Trust held at market value approximately $48.8 million in sell currency forward contracts offset by approximately $49.2 million in buy currency forward contracts. The unrealized loss on these outstanding currency forward contracts of approximately $0.4 million is principally offset by corresponding unrealized gains due to currency exchange on the underlying securities being hedged. These amounts are recorded in the statement of net claimants' equity at March 31, 2002.

(c) Fixed Assets

The cost of non-income producing assets that will be exhausted during the life of the Trust and are not available for satisfying claims are expensed as incurred. Since inception, these costs, net of disposals, include:

Acquisition of furniture and equipment	$ 782,543
Acquisition of computer hardware and software	1,753,606
Computer software development (in progress)	2,274,977
Leasehold improvements	72,965
Total	$4,884,091

These items have not been recorded as assets, but rather as direct deductions to net claimants' equity in the accompanying consolidated financial statements. The cost of fixed assets, net of proceeds on disposals, that were expensed during the years ended March 31, 2002 and 2001 was approximately $113,800 and $305,479, respectively.

Depreciation expense related to asset acquisitions using accounting principles generally accepted in the United States would have been approximately $40,100 and $40,800 for the years ended March 31, 2002 and 2001, respectively.

(d) JM Dividends

The Trust received its last JM dividend payment in January 2001 that was declared in December 2000. Such dividends when declared are reported as an addition to net claimants' equity.

(3) UNPAID CLAIMS

The Trust distinguishes between claims that were resolved prior to the filing of the class action complaint on November 19, 1990, and claims resolved after the filing of that complaint. Claims resolved prior to the complaint (Pre-Class Action Claims) were resolved under various payment plans, all of which called for 100% payment of the full liquidated amount without interest over some period of time. However, between July 1990 and February 1995, payments on all claims except qualified exigent health and hardship claims were stayed by the courts. By court order on July 22, 1993 (which became final on January 11, 1994), a plan submitted by the Trust was approved to immediately pay, subject to claimant approval, a discounted amount on Pre-Class Action Claims, in full satisfaction of these claims. The discount amount taken, based on the claimants who accepted the Trust's discounted offer, was approximately $135 million.

The unpaid liability for the Post-Class Action claims represents outstanding offers made in First-in, First-out (FIFO) order to claimants eligible for settlement after November 19, 1990. Under the TDP (Note 5), claimants receive an initial pro rata payment equal to a percentage of the liquidated value of their claim. The Trust remains liable for the unpaid portion of the liquidated amount only to the extent that assets will be available after paying all claimants the established pro rata share of their claims. The Trust makes these offers in the form of a check made payable to the claimant and/or claimant's counsel. If the offer is accepted, a Trust release is completed, the check is deposited and the claim is recorded as settled. An unpaid claim liability is recorded once an offer is made. The unpaid claim liability remains on the Trust's books until accepted or expiration of the offer after 180 days. A claimant may request that an offer be extended for an additional 180 days.

(4) COMMITMENTS AND CONTINGENCIES

Operating Leases

In September 1993, the Trust executed a 5-year lease through December 1998 for its offices in Fairfax, Virginia. The lease was extended for an additional 5 years beginning at the expiration of the initial lease. Effective January 1, 1999, the Trust assigned its rights under the lease to CRMC conditioned upon the Trust's guarantee of future lease payments.

Future minimum rental commitments under this operating lease, as of March 31, 2002, are as follows:

Calendar Year		Amount
2002		473,977
2003		651,380
	Total	$1,125,357

This obligation has been recorded as a liability at face value in the accompanying financial statements.

(5) NET CLAIMANTS' EQUITY

A class action complaint was filed on behalf of all Trust beneficiaries on November 19, 1990, seeking to restructure the methods by which the Trust administers and pays claims. On July 25, 1994, the parties signed a Stipulation of Settlement that included a revised Trust Distribution Process (the TDP). The TDP prescribes certain procedures for distributing the Trust's limited assets, including pro rata payments and initial determination of claim value based on scheduled diseases and values. The Court approved the settlement in an order dated January 19, 1995. Though six appeals were filed with the Court of Appeals, no stay was granted and the Trust implemented the TDP payment procedures effective February 21, 1995. On February 21, 1996, the Court of Appeals affirmed the decision.

Prior to the commencement of the class action in 1990, the Trust filed a motion for a determination that its assets constitute a "limited fund" for purposes of Federal Rules of Civil Procedure 23(b)(1)(B). The Courts adopted the findings of the Special Master that the Trust is a "limited fund". In part, the limited fund finding concludes that there is a substantial probability that estimated future assets of the Trust are and will be insufficient to pay in full all claims that have been and will be asserted against the Trust.

The TDP contains certain procedures for the distribution of the Trust's limited assets. Under the TDP, the Trust forecasts its anticipated annual sources and uses of cash until the last projected future claim has been paid. A pro rata payment percentage is calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives his/her pro rata share.

Prior to the implementation of the TDP, the Trust conducted its own research and monitored studies prepared by the Courts' appointee regarding the valuation of Trust assets and liabilities. Based on this valuation, the TDP provided for an initial 10% payment of the liquidated value of then current and estimated future claims (pro rata payment percentage). As required by the TDP, the Trust has periodically re-estimated the values of its projected assets and liabilities to determine whether a revised pro rata payment percentage should be applied in the future. The most recent re-estimate began in 2000 and was concluded in June of 2001. Following its review and consultation with the Selected Counsel for the Beneficiaries (SCB), the Legal Representative of Future Claimants (Legal Representative) and Special Advisor to the Trust (Special Advisor), the Trust proposed to the SCB and Future Representative that the pro rata payment percentage be reduced from 10% to 5%, beginning generally with claims filed after October of 2000. The SCB and Legal Representative consented to the Trust's request that, pending a final resolution of this issue and without prejudice to their rights to dispute the issue in binding arbitration, the Trust may make offers and pay claims based upon a 5% pro rata payment percentage. Thereafter, the Legal Representative consented to the 5% pro rata payment. However, the SCB has not provided consent.

Therefore, pursuant to the TDP, the Special Advisor is authorized to name three arbitrators to resolve this matter through binding arbitration. The SCB and the Trust are each entitled to strike one of the arbitrators. The remaining arbitrator will decide the matter. As of March 31, 2002, the Special Advisor has identified three arbitrators. In addition, the Trust, SCB and Legal Representative have been discussing possible TDP amendments. At this time, it is impossible to predict what changes to the TDP may be agreed upon and what impact, if any, such changes will have on the pro rata payment percentage.

As required under the TDP, the Trust will continue to periodically update its estimate of the pro rata payment percentage based on updated assumptions regarding its future assets and liabilities and, if appropriate, propose additional changes in the pro rata payment percentage.

(6) EMPLOYEE BENEFIT PLANS

The Trust established a tax-deferred employee savings plan under Section 401(k) of the Internal Revenue Code, with an effective date of January 1, 1988. The plan allows employees to defer a percentage of their salaries within limits set by the Internal Revenue Code with the Trust matching contributions by employees of up to 6% of their salaries. The total employer contributions and expenses under the plan were approximately $57,900 and $78,000 for the three months ended March 31, 2002 and 2001, respectively.

(7) RESTRICTED ASSETS

In order to avoid the high costs of director and officer liability insurance and with the approval of the United States Bankruptcy Court for the Southern District of New York, the Trust established a segregated security fund of $30 million and, with the additional approval of the United States District Court for the Southern and Eastern Districts of New York, an escrow fund of $3 million from the assets of the Trust, which are devoted exclusively to securing the obligations of the Trust to indemnify the former and current Trustees and officers, employees, agents and representatives of the Trust. In addition, a $15 million escrow and security fund was established to secure the obligations of the Trust to exclusively indemnify the current Trustees, whose access to the other security funds is subordinated to the former Trustees. Upon the final order in the Class Action litigation (Note 3), the $15 million escrow and security fund was reduced by $5 million. Pursuant to Section 5.07 of the Plan, Trustees are entitled to a lien on the segregated security and escrow funds to secure the payment of any amounts payable to them through such indemnification. Accordingly, in total, $43 million has been transferred from the Trust's bank accounts to separate escrow accounts and pledge and security agreements have been executed perfecting those interests. The investment earnings on these escrow accounts accrue to the benefit of the Trust.

As a condition of the tax agreement between JM and the Trust discussed in Note 8 below, the Trust was required to transfer $30 million in cash to an escrow account to secure the payment of its future income tax obligations post settlement of the transaction. The escrow account balance may be increased or decreased over time. As of March 31, 2002, securities with a market value of $27.9 million were held by an escrow agent in accordance with the agreement. These funds have been reported as restricted investments.

(8) INCOME TAXES

For Federal income tax purposes, JM had elected for the qualified assets of the Trust to be taxed as a Designated Settlement Fund (DSF). Income and expenses associated with the DSF are taxed in accordance with Section 468B of the Internal Revenue Code, which obligates JM to pay for any federal income tax liability imposed upon the DSF. In addition, pursuant to an agreement between JM and the Trust, JM is obligated to pay for any income tax liability of the Trust. As discussed in Note 1, at the consummation of the tender offer transaction with Berkshire on February 26, 2001, JM paid the

Trust $90 million to settle JM's obligation to the Trust. In return, the Trust terminated JM's contractual liability for income taxes of the DSF and agreed to indemnify JM in respect for all future income taxes of the Trust. JM remained liable for the Trust's income taxes through February 26, 2001. The statutory income tax rate for the DSF is 15%.

The Trust accounts for income taxes in accordance with the Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. As of March 31, 2002, the Trust has recorded a net deferred tax liability of $73,000, representing temporary differences primarily for accrued vacation and deferred compensation. The deferred liability is included in accrued expenses in the accompanying consolidated statement of net claimants' equity.

(9) PROOF OF CLAIM FORMS FILED

Proof of claim forms have been filed with the Trust as follows:

	As of 3/31/02	As of 3/31/01
Claims filed	582,589	512,173
Voided claims [1]	(40,318)	(38,575)
Currently disqualified [2]	(723)	(1,471)
Expired offers [3]	(42,777)	(43,037)
Active claims	498,771	429,090
Settled claims	(449,001)	(366,080)
Claims currently eligible for settlement	49,770	63,010

[1] Claim filings that are permanently ineligible due to duplication of filing, withdrawal or missing critical information.

[2] Claim filings on hold until representation or content problems are resolved.

[3] Claims that received a Trust offer, but failed to respond within the offer acceptance period. A claim may be reactivated upon written request and is eligible for a new offer at the end of the FIFO queue.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

The following exhibits are provided in accordance with Article 3.02 (d)(iii) of the Manville Personal Injury Settlement Trust Agreement.

EXHIBIT I

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED NON-JM INVESTMENT INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	2002	2001
NON-JM INVESTMENT INCOME		
Interest	$ 11,783,727	$ 12,240,802
Dividends (Note 2(e))	3,537,681	2,021,571
Net realized gains	1,112,388	1,470,508
Total non-JM investment income	16,433,796	15,732,881
Investment expenses	(632,054)	(385,954)
TOTAL	$15,801,742	$15,346,927

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED OPERATING EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	2002	2001
OPERATING EXPENSES:		
Personnel costs	$1,092,249	$1,935,566
Office general and administrative	334,405	338,630
Travel and meetings	63,125	153,982
Board of Trustees	171,228	228,734
Professional fees	537,541	3,395,431
Net fixed asset purchases	113,769	305,479
Computer and other EDP costs	83,025	26,200
TOTAL OPERATING EXPENSES	2,395,342	6,384,022
Income tax provision - net of JM's contribution of $603,272 in 2001	2,046,300	725,000
TOTAL	$4,441,642	$7,109,022

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SCHEDULE OF LIQUIDATED CLAIMS
SINCE CONSUMMATION (NOVEMBER 28, 1988)
THROUGH MARCH 31, 2002

Updated pending Trustee report.

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Pre-Class Action Complaint November 19, 1990 and Before-			
Liquidated Claim Value	27,609	$1,188,255,672	
Present Value Discount (1)		(135,306,535)	
Net Settlements	27,609	1,052,949,137	
Payments	(27,565)	(1,051,934,364)	$38,162
Unpaid Balance	44	$1,014,773	
Post-Class Action Complaint After November 19, 1990-			
Offers Made at Full Liquidated Amount	435,268	$18,697,477,176	
Reduction in Claim Value (2)		(16,972,793,748)	
Net Offer Amount	435,268	1,724,683,428	
Payments	(421,392)	(1,687,488,085)	$4,005
Offers Outstanding	13,876	$37,195,343	
Total Trust Liquidated Paid Claims	448,957	2,739,422,449	$6,102
Manville Liquidated Claims Paid (3)	158	$24,946,620	
Co-Defendant Liquidated Claims (4)			
Liquidated Claim Value		$96,110,845	
Investment Receipts (5)		2,624,732	
Payments		(98,735,577)	
Unpaid Balance		$0	

(1) The unpaid liability for Pre-Class Action Complaint claims has been reduced based upon a pla approved by the Courts in January, 1994 which requires the Trust to offer to pay a discounte amount in full satisfaction of the unpaid claim amount

(2) Under the TDP, Post Class Action Complaint claims have been reported at a pro rata percentage of their liquidated value

(3) Manville Liquidated Claims refers to Liquidated AH Claims (as defined in the Plan) which the Trust has paid pursuant to an order of the United States Bankruptcy Court for the Southern Distri of New York dated January 27, 1987

(4) Number of personal injury claimants not identifiable.

(5) Investment receipts of separate investment escrow account established for the sub-class beneficiaries per the Stipulation of Settlement, net of income taxes

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SCHEDULE OF LIQUIDATED CLAIMS
FOR THE QUARTER ENDED MARCH 31, 2002

Changed beginning balances

	Number	Amount	Avg. Payment Amount
Trust Liquidated Claims			
Pre-Class Action Complaint November 19, 1990 and Before-			
Payable as of December 31, 2001	44	$1,014,773	
Paid (1)			
Payable as of March 31, 2002	44	$1,014,773	
Post-Class Action Complaint After November 19, 1990- (2)			
Offers Outstanding as of December 31, 2001	18,412	$44,493,618	
Net Offers Made (3)	2,269	8,694,133	
Offers Accepted	(6,805)	(15,992,408)	$2,350
Offers Outstanding as of March 31, 2002	13,876	$37,195,343	
Total Trust Liquidated Paid Claims	6,805	$15,992,408	$2,350
Co-Defendant Liquidated Claims			
Payable as of December 31, 2001		$2,219	
Settled		83,879	
Investment Receipts (4)			
Paid		(86,098)	
Payable as of March 31, 2002		$0	

(1) During the period the dollar amount of paid claims may include fully and partially paid claims. The number of paid claims represents only fully paid claims

(2) Under the TDP, Post Class Action Complaint claims have been reported at a pro rata percentage of their liquidated value.

(3) Represents payment offers made during the period net of rejected and expired offers.

(4) Investment receipts of separate investment escrow account established for the sub-class beneficiaries per the stipulation of settlement, net of income taxe