MANVILLE PERSONAL INJURY SETTLEMENT TRUST

October 31, 2007

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
Alexander Hamilton Custom House
One Bowling Green
New York, NY 10004-1208

Dear Judge Weinstein and Judge Lifland:

Enclosed are chambers' copies of the Financial Statements and Report of the Manville Personal Injury Settlement Trust ("the Trust") for the quarter ending September 30, 2007, filed pursuant to Sections 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

During the third quarter 2007, the Trust received 1,628 new claim filings compared to 2,506 for the same period of 2006. The malignant portion of claim filings during both periods was approximately 55%. For the nine months ended September 30, 2007, the Trust received approximately 8,290 claims, of which 3,054 (37%) were for malignant diseases, compared to approximately 8,500 claims during the same period in 2006, of which over 3,600 (43%) were for malignant diseases.

During the third quarter of 2007, the Trust settled 1,662 claims for $11.7 million compared to 3,200 claim settlements for $13.0 million during the same period of 2006. The average payment amount for the third quarter 2007 and 2006 was approximately $7,070 and

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$4,100, respectively. The increase in average payment amount is primarily due to an increase in the percentage of mesothelioma claim settlements of approximately 35% in 2007 compared to 22% in 2006. For the nine month period ending September 30, 2007, approximately 89% of the amount of all 2007 claim payments went to claimants diagnosed with a malignancy disease, compared to 91% in 2006.

On September 30, 2007, the Trust had 2,227 claims pending claimant response to an outstanding offer or denial, 3,730 claims for which the 360 day offer or denial response period had expired (but which could still be reactivated without re-filing the claim), 12,537 claims in process and 680,118 settled claims. When combined with 87,915 withdrawn claims (unsettled claims for which offers were not accepted or deficiencies not cured), as of September 30, 2007 the Trust had received 786,527 claims and had made total claim payments of approximately $3.4 billion. Nevertheless, Net Claimants' Equity is almost the same ($1.8 billion) as when the Trust was established.

FINANCIAL SUMMARY

Net operating expenses for the three and nine months ended September 30, 2007 were $1.2 million and $4.0 million, respectively. This compares to net operating expenses for the three and nine months ended September 30, 2006 of $1.4 million and $4.2 million, respectively. Operating expenses are net of Other Income of $407,000 for the nine months ended September 30, 2007 compared to almost $440,000 for the same period in 2006. Other Income received by the Claims Resolution Management Corporation ("CRMC") is derived from claim processing and consulting services to other claims processing entities. Other Income received by the CRMC is used to reduce the overall processing costs of the Trust.

As of September 30, 2007 Net Claimants' Equity was $1.81 billion compared to $1.68 billion the same time last year. For the first nine months of 2007, investments have added over $118 million to Net Claimants' Equity, net of deferred income taxes, while claim settlements of $37 million, net operating expenses $4.0 million and income taxes of $7.5 million have reduced Net Claimants' Equity. As of September 30, 2007, the Trust has almost $55 million in deferred income tax liability related to approximately $366 million in net unrealized gains on available-for-sale securities.

ASSET MANAGEMENT

During the third quarter of 2007, the securities markets have been extremely chaotic and volatile with a strong bearish bias. Nonetheless, the Trust asset management, based on portfolio asset balancing, diversity and emphasis on quality has held its corpus steady amid the turmoil. After the precipitous market drops in July and August, on August 9th, after a 380 point drop in the Dow Jones Industrial Average the preceding day, the Trust investments still totaled some $21 million more than at the end of 2006, even after paying out $42 million in claims and expenses during the year.

By the end of the third quarter of the year, the Trust's total investment returns for the nine months were up approximately 7.4% compared to 6.5% in the same period of 2006.

During those periods, total returns on the Trust's equity investments were approximately 9.2% and 8.3%, respectively. By way of comparison, the Russell 3000 Index, a broad index of U.S. stocks, returned about 8.8% and 8.0% during the first nine months of 2007 and 2006, respectively. The total return on fixed income investments including cash equivalents was 4.1% in the first nine months of 2007 versus 3.5% in the first nine months of 2006.

As of September 30, 2007, the market value of the Trust's investments, including accrued interest and dividends, was approximately $1,881 million, of which approximately $1,240 million (66%) was in diversified equities, $588 million (31%) in fixed income securities and the remaining $53 million (3%) in cash equivalents.

Yours very truly,

Robert A. Falise

Robert A. Falise
Chairman and Managing Trustee

Enclosure

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	) In Proceedings For A
	) Reorganization Under
JOHNS-MANVILLE CORPORATION,	) Chapter 11
et al.,	)
	) Case Nos. 82 B 11656 (BRL)
Debtors	) Through 82 B 11676 (BRL)
	) Inclusive

FINANCIAL STATEMENTS AND REPORT OF
MANVILLE PERSONAL INJURY SETTLEMENT TRUST
FOR THE PERIOD ENDING SEPTEMBER 30, 2007
PURSUANT TO SECTIONS 3.02(d)(ii) and (iii)
OF THE TRUST AGREEMENT

Sections 3.02(d)(ii) and (iii) of the Trust Agreement provide that the Trustees shall prepare and file with the Court within 30 days following the end of each of the first three quarters of each Fiscal Year a quarterly report containing certified financial statements and a summary of certain additional information, including the number of Trust Claims Liquidated and the average amount per Trust Claim paid or payable, the amount of investment income earned by the Trust, and the amount of Trust Expenses incurred by the Trust. The attached Financial Statements for the Period July 1, 2007 through September 30, 2007 and the exhibits thereto are

Submitted in satisfaction of the requirements that the Trust file a quarterly report. Exhibits I, II and III of the Financial Statements set forth the specific items of information required by Sections 3.02(d)(iii)(w),(y) and (z) of the Trust Agreement.

Respectfully submitted,

MANVILLE PERSONAL INJURY
SETTLEMENT TRUST

By: /s/ David T. Austern

David T. Austern
General Counsel
Manville Personal Injury
Settlement Trust
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Dated: October 31, 2007
Falls Church, VA

CERTIFICATE OF SERVICE

I, David T. Austern, hereby certify that on October 31, 2007, I caused a true and complete copy of the Financial Statements for the Period Ending September 30, 2007 pursuant to Sections 3.02(d)(ii) and (iii) of the Manville Personal Injury Settlement Trust Agreement to be served by first class mail, postage prepaid, to the entities named on the service list annexed hereto.

/s/ David T. Austern
David T. Austern

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MANVILLE PERSONAL INJURY SETTLEMENT TRUST

Special-Purpose Consolidated Financial Statements
As of September 30, 2007 and 2006

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 September 30, 2007 and 2006 and the consolidated changes in net claimants' equity and cash flows for the three months and nine month ended September 30, 2007 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 SEPTEMBER 30, 2007 AND 2006

	2007	2006
ASSETS:		
Cash equivalents and investments (Note 2)		
Available-for-sale		
Restricted (Note 7)	$59,700,000	$54,200,000
Unrestricted	1,814,519,467	1,666,139,617
Total cash equivalents and investments	1,874,219,467	1,720,339,617
Accrued interest and dividend receivables	6,719,089	6,168,783
Deposits and other assets	683,221	600,958
Total assets	1,881,621,777	1,727,109,358
LIABILITIES:		
Accrued expenses	3,282,800	3,224,593
Deferred income taxes (Note 8)	54,890,000	33,298,000
Unpaid claims (Notes 3, 5 and Exh. III)		
Outstanding Offers	8,274,904	8,509,434
Settled, not paid	1,314,586	1,016,943
Lease commitments payable (Note 4)	3,203,317	3,692,544
Total liabilities	70,965,607	49,741,514
NET CLAIMANTS' EQUITY (Note 5)	$1,810,656,170	$1,677,367,844

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2007

	Three Months Ended 9/30/07	Nine Months Ended 9/30/07
NET CLAIMANTS' EQUITY, BEGINNING OF PERIOD	$1,799,185,888	$1,741,502,894
ADDITIONS TO NET CLAIMANTS' EQUITY:		
Investment income (Exhibit I)	27,048,767	118,391,829
Decrease in lease commitments payable (Note 4)	122,307	366,920
Total additions	27,171,074	118,758,749
DEDUCTIONS FROM NET CLAIMANTS' EQUITY:		
Net operating expenses (Exhibit II)	1,222,737	3,967,114
Provision for income taxes	2,148,000	7,492,500
Claims settled	11,744,092	36,977,879
Net increase in outstanding claim offers	374,429	827,237
Contribution and indemnity claims settled	211,534	340,743
Total deductions	15,700,792	49,605,473
NET CLAIMANTS' EQUITY, END OF PERIOD	$1,810,656,170	$1,810,656,170

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

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007

	Three Months Ended 9/30/07	Nine Months Ended 9/30/07
CASH INFLOWS:		
Investment income receipts	$13,149,352	$38,862,825
Net realized gains on available-for-sale securities	2,613,821	14,896,537
Decrease in deposits and other assets		2,030
Total cash inflows	15,763,173	53,761,392
CASH OUTFLOWS:		
Claim payments made	12,050,500	36,580,394
Contribution and indemnity claim payments	211,534	340,743
Total cash claim payments	12,262,034	36,921,137
Increase in deposits and other assets	69,601	
Disbursements for Trust operating expenses and income taxes paid	2,268,846	13,451,138
Total cash outflows	14,600,481	50,372,275
NET CASH OUTFLOWS	1,162,692	3,389,117
NON-CASH CHANGES:		
Net unrealized gains on available-for-sale securities	13,443,564	75,574,768
NET INCREASE IN CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE	14,606,256	78,963,885
CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE, BEGINNING OF PERIOD	1,859,613,211	1,795,255,582
CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE, END OF PERIOD	$1,874,219,467	$1,874,219,467

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

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2007 AND 2006

(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 and subsequently relocated to Falls Church, Virginia. The accounts of the Trust and CRMC have been consolidated for financial reporting purposes. All significant intercompany balances and transactions between the Trust and CRMC have been eliminated in consolidation.

The Trust was initially funded with cash, Manville securities and insurance settlement proceeds. Since consummation, the Trust has converted the Manville securities to cash and currently holds no Manville securities.

(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 as follows:

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

(2) The funding received from JM and its liability insurers was 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 consolidated 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 on available-for-sale securities, net of investment expenses are included in investment income on the consolidated statements of changes in net claimants' equity. Realized and unrealized gains and losses on available-for-sale securities are combined and recorded on the consolidated statements of changes in net claimants' equity.

Realized gains/losses on available-for-sale securities are recorded based on tbe security's original cost. At the time a security is sold, all previously recorded unrealized gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the accompanying consolidated 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.

Certain amounts in the 2006 financial statements have been reclassified to conform to the 2007 presentation. These reclassifications have no effect on the previously recorded balance of net claimants' equity.

(b) Cash Equivalents and Investments

At September 30, 2007 and 2006, the Trust has recorded all of its investment securities at market value, as follows:

	2007		2006	
	Cost	Market	Cost	Market
Restricted				
Cash equivalents	$61,730	$ 61,730	$1,394,024	$ 1,394,024
U.S. Govt. obligations	21,070,876	21,315,900	16,600,375	16,613,799
Corporate and other debt	2,222,340	2,195,120	4,340,303	4,282,809
Equities – U.S.	18,121,138	36,127,250	19,461,959	31,909,368
Total	$41,476,084	$59,700,000	$41,796,661	$54,200,000

	2007		2006	
	Cost	Market	Cost	Market
Unrestricted				
Cash equivalents	$56,884,235	$56,884,235	$50,507,800	$50,507,800
U.S. Govt. obligations	293,313,065	294,132,771	275,913,900	273,619,767
Corporate and other debt	262,561,622	261,077,159	249,361,610	246,637,013
Equities – U.S.	768,408,376	1,052,545,005	799,268,302	971,357,452
Equities – International	85,666,175	149,880,297	81,502,556	124,017,585
Total	$1,466,833,473	$1,814,519,467	$1,145,554,168	$1,666,139,617

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 September 30, 2007, the fair value of these instruments was approximately $13.8 million and was included in investments available-for-sale on the consolidated 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 September 30, 2007, the Trust held $73.8 million in net foreign currency forward contracts. The unrealized loss on these outstanding currency forward contracts of approximately $0.5 million is offset by an equal unrealized gain due to currency exchange on the underlying international securities. These net amounts are recorded in the consolidated statement of net claimants' equity at September 30, 2007.

(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, the cost of fixed assets expensed, net of disposals, include:

Acquisition of furniture and equipment	$ 341,600
Acquisition of computer hardware and software	790,000
Computer software development (e-Claims)	2,361,100
Total	$3,492,700

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 three and nine ended September 30, 2007 was approximately $0 and $4,200 respectively.

Total depreciation expense related to asset acquisitions using accounting principles generally accepted in the United States would have been approximately $54,600 and $163,800 for the three and nine ended September 30, 2007, respectively.

(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 settled, but unpaid 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 Trust Distribution Process (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 are available after paying all claimants the established pro rata share of their claims. The Trust makes these offers electronically for law firms that file their claims electronically (e-filers), or in the form of a check made payable to the claimant and/or claimant's counsel for claimants that file their proof of claim on paper. E-filers may accept their offers electronically and the Trust records a settled, but unpaid claim at the time of acceptance. Paper filers may accept their offer by depositing the check. 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 360 days. Expired offers may be reinstated if the claimant accepts the original offer within two years of offer expiration.

(4) COMMITMENTS AND CONTINGENCIES

In April 2003, the CRMC executed an early termination of its old lease in Fairfax Virginia and signed a new 10-year lease through September 2013 for its offices in Falls Church, Virginia. CRMC may terminate the new lease at the end of the seventh lease year (September 2010) upon proper notification and payment of certain unamortized leasing costs. The lease was executed with CRMC conditioned upon the Trust's guarantee of future lease payments.

Future minimum rental commitments under this operating lease, as of September 30, 2007, are as follows:

Calendar Year	Amount
2007	$ 125,380
2008	504,638
2009	517,199
2010	530,115
2011	543,388
2012	557,017
2013	425,580
	$3,203,317

This obligation has been recorded as a liability 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 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 and the Trust implemented the TDP payment procedures effective February 21, 1995.

During the second and third quarters of 2002, the SCB and Legal Representative and the Trust met to discuss amending the TDP. As a result of these meetings, in late August 2002, the parties agreed to TDP amendments that are now contained in what is referred to as the "2002 TDP". The 2002 TDP principally changes the categorization criteria and scheduled values for the scheduled diseases.

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 reviewed the values of its projected assets and liabilities to determine whether a revised pro rata payment percentage should be applied. The pro rata percentage was changed in June 2001 when the pro rata percentage was reduced from 10% to 5%. The most recent estimate began in 2005 and was concluded in March 2006. Following 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), and with concurrence of the SCB and the Legal Representative, the Trust will continue to make offers and pay claims based upon a 5% pro rata payment percentage. The Trust will periodically update its estimate of the pro rata payment percentage based on updated assumptions regarding its future assets and liabilities and, if appropriate, propose 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 $44,100 and $142,100 for the three and nine months ended September 30, 2007, respectively.

(7) RESTRICTED CASH EQUIVALENTS AND INVESTMENTS

In order to avoid the high costs of director and officer liability insurance, the Trust ceased purchasing such insurance in 1991 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 additional 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. Also, 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 bank 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.

Additionally, as a condition of the tax agreement between JM and the Trust discussed in Note 8, 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 September 30, 2007, securities with a market value of $42.6 million were held by an escrow agent, of which $16.7 million is reported as restricted in accordance with the agreement.

(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. In a separate agreement between the Trust and JM to facilitate the sale of JM to a third party, JM paid the Trust $90 million to settle the JM 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 and established an escrow fund to secure such indemnification. The statutory income tax rate for the DSF is 15%. As a New York domiciled trust, the Trust is not subject to state income taxes. CRMC is subject to federal and Virginia corporate income taxes, its state of residence.

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 September 30, 2007 and 2006, the Trust has recorded a net deferred tax liability of approximately $54.9 million and $33.3 million, respectively from net unrealized gains on available-for-sale securities. As of September 30, 2007 and 2006, the Trust recorded net deferred tax assets of $345,200 and $319,500, representing temporary differences primarily due to expensing asset acquisitions for financial reporting purposes, accrued vacation and deferred compensation. The deferred tax assets are included in other assets in the accompanying consolidated statement of net claimants' equity. As of September 30, 2007 and 2006, the Trust has prepaid income taxes of $540,000 and $410,000, respectively. These amounts are included with accrued expenses on the consolidated statements of net claimants' equity.

(9) PROOF OF CLAIM FORMS FILED

Proof of claim forms filed as September 30, 2007 and 2006 with the Trust are as follows:

	2007	2006
Claims filed	786,527	776,219
Withdrawn (1)	(87,915)	(82,691)
Expired offers (2)	(3,730)	(7,973)
Active claims	694,882	685,555
Settled claims	(680,118)	(669,760)
Claims currently eligible for settlement	14,764	15,795

(1) Principally claims that have received a denial notification and the claim is in an expired status for more than two years. These claims must be refiled to receive a new offer.

(2) Claims that received a Trust offer or denial, but failed to respond within the specified response period, usually 360 days. As of September 30, 2007 and 2006, approximately 1,400 and 2,800 respectively, of the claims with expired offers are still eligible to accept their original offer with a payment value of $4 million and $6 million, respectively. All claims with expired offers may be reactivated upon written request by the claimant and be 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 INVESTMENT INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007

	Three Months Ended 9/30/07	Nine Months Ended 9/30/07
INVESTMENT INCOME		
Interest	$ 7,817,525	$ 22,193,671
Dividends	5,695,359	18,634,161
Total interest and dividends	13,512,884	40,827,832
Net realized gains	2,613,821	14,896,537
Net unrealized gains, net of the change in deferred income taxes (Note 8)	11,423,564	64,234,768
Investment expenses	(501,502)	(1,567,308)
TOTAL INVESTMENT INCOME	$ 27,048,767	$ 118,391,829

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED NET OPERATING EXPENSES
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007

	Three Months Ended 9/30/07	Nine Months Ended 9/30/07
NET OPERATING EXPENSES:		
Personnel costs	$ 961,795	$ 2,905,216
Office general and administrative	149,212	517,559
Travel and meetings	30,620	114,027
Board of Trustees	78,952	307,508
Professional fees	48,734	312,844
Net fixed asset purchases	-	4,193
Computer and other EDP costs	69,532	213,089
Other income	(116,108)	(407,322)
TOTAL NET OPERATING EXPENSES	$ 1,222,737	$ 3,967,114

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 SEPTEMBER 30, 2007

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Pre-Class Action Complaint November 19, 1990 and Before-			
Full Liquidated Claim Value	27,590	$1,187,852,399	
Present Value Discount (1)		(135,306,535)	
Net Settlements	27,590	1,052,545,864	
Payments	(27,590)	(1,052,545,864)	$38,150
Unpaid Balance	0	$0	
Post-Class Action Complaint After November 19, 1990-			
Offers Made at Full Liquidated Amount	654,266	$30,899,828,185	
Reduction in Claim Value (2)		(28,524,935,903)	
Net Offer Amount	654,266	2,374,892,282	
Offers Accepted	(652,528)	(2,366,617,378)	$3,627
Offers Accepted, Not Paid	180	1,314,586	
Unpaid Balance	1,918	9,589,490	
Total Trust Liquidated Claims	680,118	3,419,163,242	$5,027
Manville Liquidated Claims Paid (3)	158	$24,946,620	
Co-Defendant Liquidated Claims (4)			
Settlement Claim Value		$89,248,977	
Investment Receipts (5)		2,624,732	
Payments, Net of Returned Settlement (6)		(91,873,709)	
Unpaid Balance		$0	

(1) The unpaid liability for Pre-Class Action Complaint claims has been reduced based upon a plan approved by the Courts in January, 1994 which requires the Trust to offer to pay a discounted 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 District 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.

(6) Per the terms of the MacArthur Fund Principles of the 1995 TDP, upon successful insurance litigation, the MacArthur Group returned $10 million plus the change in value.

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SCHEDULE OF LIQUIDATED CLAIMS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Post-Class Action Complaint After November 19, 1990 (1)			
Offers Outstanding as of June 30, 2007	2,113	$7,900,474	
Net Offers Made (2)	1,287	12,118,522	
Offers Accepted	(1,662)	(11,744,092)	$7,066
Offers Outstanding as of September 30, 2007	1,738	8,274,904	
Offers Accepted, Not Paid as of Sept. 30, 2007	180	1,314,586	
Payable as of September 30, 2007	1,918	$9,589,490	

	Amount
Co-Defendant Liquidated Claims	
Payable as of June 30, 2007	$0
Settled	211,534
Paid	(211,534)
Payable as of September 30, 2007	$0

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

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