MANVILLE PERSONAL INJURY SETTLEMENT TRUST

May 1, 2006

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 period ending March 31, 2006, 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 first quarter of 2006, the Trust received approximately 2,700 new claim filings, of which 40% were for malignant diseases, compared to 5,200 for same period of 2005 of which only 25% were for malignant diseases. For the last four quarters ended March 31, 2006, approximately 14,000 claims were filed compared to about 17,700 claims filed during the four quarters ending September 30, 2005, the highest 12-month filings under the 2002 TDP. While the filing decrease is primarily in non-malignant claims, mesothelioma and lung cancers claims declined as well. The only increased filings have been in non-mesothelioma and non-lung cancers and mesothelioma claims originating outside the United States.

3110 Fairview Park Drive
Suite 200
P.O. Box 12003
Falls Church, Virginia 22042-0683
Phone 703-204-9300
Fax 703-205-6249

During the first quarter 2006, the Trust settled approximately 3,100 claims for $14.6 million compared to 5,700 claims for $17.3 million during 2005. The increasing porportion of malignancy claims has resulted in a higher settlement average and a greater proportion of claim payments being made to claimants with a malignancy. The average claim settlement value for the first quarter 2006 and 2005 was approximately $4,600 and $3,000, respectively, and malignancy claimants received about 88% of all claim payments in the first quarter of 2006 versus 74% in the comparable period in 2005.

On March 31, 2006, the Trust had 3,969 pending offers or denials, 16,429 expired claims, 13,200 claims in process and 663,121 claims settled and paid approximately $3.4 billion. When combined with 73,638 withdrawn claims (unsettled claims in which offers or deficiencies lapsed), on March 31, 2006 the Trust has received 770,357 claims.

FINANCIAL SUMMARY

Net operating expenses for the quarters ended March 31, 2006 and 2005 were $1.6 million and $1.4 million, respectively. Operating expenses for the quarters are net of other income of $90,100 in 2006 and $400,200 in 2005 received by the Claims Resolution Management Corporation ("CRMC") for providing claim processing and consulting services and licensing Manville Trust data. The decrease in other income for the first quarter of 2006 is attributable to the significant amount of work performed for the Travelers insurance companies during the first quarter of 2005. Since that time, no significant services have been provided pending the appeal of the approval of the Travelers settlement, which approval was confirmed by the U.S. District Court for the Southern District of New York on March 28, 2006. Other income received by CRMC is used to reduce the overall processing costs of the Manville Trust claims.

During the first quarter of 2006, Net Claimants' Equity increased by approximately $38 million. Though the Trust settled almost $15 million in claims, investment income added almost $64 million in value, before income taxes. The Trust received $12 million in interest and dividends, $1.5 million in realized gains and booked over $50 million in unrealized gains.

ASSET AND LIABILITY MANAGEMENT

For the three months ended March 31, 2006 and March 31, 2005, the Trust's total return on investment was approximately 3.9% and -1.2%, respectively. The total return during the same periods on the Trust's equity investments was approximately 6.1% and -1.8%, respectively. By way of comparison, the Russell 3000 index, a broad index of U.S. stocks, returned about 5.3% and -2.2% during the first quarter of 2006 and 2005, respectively. The total return on fixed income investments was 0.3% in the first quarter of 2006 following a modest decline of 0.1% in the first three months of 2005.

As of March 31, 2006, the market value of Trust investments, including accrued interest and dividends, was approximately $1,720 million, of which approximately $1,105 million (64%) was in diversified equities, $565 million (33%) in fixed income securities and the remaining $50 million (3%) in cash equivalents. For the first quarter of 2006, cash outflows exceeded inflows by slightly over $4 million, while cash equivalents and investments increased by almost $47 million, due to net unrealized gains on the investment portfolio of almost $51 million. Due to declining claim filing rates, $14.3 million was paid on claims during the first quarter of 2006 compared to $17.0 million during the comparable period in 2005.

PRO RATA PAYMENT REVIEW

After consultations concerning an increase in the pro rata payment percentage with Selected Counsel for the Beneficiaries (the SCB) and the Legal Representative of Future Claimants (the Legal Representative), whose consents are required to adjust such rate, it was agreed to maintain for the time being the current 5% payment percentage. However, the Trust anticipates that if the recent trends in the Trust's investment performance and claim filings continue, it would be reasonable to expect an increase in the pro rata payment in the future.

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 MARCH 31, 2006
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 January 1, 2006 through March 31, 2006 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
3110 Fairview Park Dr. Ste. 200
P.O. Box 12003
Falls Church, Virginia 22031
(703) 205-0835

Dated: Falls Church, Virginia
May 1, 2006

CERTIFICATE OF SERVICE

I, David T. Austern, hereby certify that on May 1, 2006, I caused a true and complete copy of the Financial Statements for the Period Ending March 31, 2006 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

Professor Lester Brickman
Benjamin Cardozo School of Law
Brookdale Center
55 Fifth Avenue
New York, NY 10003

Matthew P. Bergman, Esq.
Bergman, Senn, Pageler & Frockt
17526 Vashon Highway, SW
Vashon, WA 98070

Leslie G. Fagen, Esq.
PAUL, WEISS, RIFKIND, WHARTON
1285 Avenue of the Americas
New York, NY 10019

Paul M. Matheny, Esq.
Bruce McElhone, Esq.
LAW OFFICES OF PETER ANGELOS
One Charles Center
100 N. Charles St.
Baltimore, MD 21201-3812

Barbara J. Stutz, Esq.
BUNDA STUTZ & DEWITT
One SeaGate
Suite 650
Toledo, OH 43604

Stephen J. Carroll
RAND Institute
1776 Main St.
P.O. Box 2138
Santa Monica, CA 90437-2138

Mark Peterson, Esq.
Legal Analysis Systems
970 Calle Arroyo
Thousand Oaks, CA 91360

Francine R. Rabinovitz
Hamilton, Rabinovitz & Alschuler, Inc.
36656 Highway 1, Coast Route
Monterey, CA 93940

Elihu Inselbuch, Esq.
CAPLIN & DRYSDALE
375 Park Avenue, 35th Fl.
New York, NY 10152-3500

Francis Lawall, Esq.
PEPPER HAMILTON LLP
3000 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103

Raji Bhagavatula
Milliman USA
One Penn Plaza, 38th Fl.
New York, NY 10119

Russell Budd, Esq.
BARON & BUDD
3102 Oak Lawn Avenue
Dallas, TX 75219

Deirdre A Martini, Esq.
UNITED STATES TRUSTEE
33 Whitehall St , 21st Fl.
Suite 210C
New York, NY 10004

Robert Steinberg, Esq.
ROSE, KLEIN & MARIAS
801 So. Grand Avenue, 18th Fl.
Los Angeles, CA 90017

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

Special-Purpose Consolidated Financial Statements
As of March 31, 2006 and 2005

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, 2006 and 2005 and the consolidated changes in net claimants' equity and cash flows for the three months ended March 31, 2006 and 2005 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, 2006 AND 2005

	2006	2005
ASSETS:		
Cash equivalents and investments (Note 2)		
Available-for-sale		
Restricted (Note 7)	$53,500,000	$51,600,000
Unrestricted	1,659,672,146	1,570,665,768
Total cash equivalents and investments	1,713,172,146	1,622,265,768
Accrued interest and dividend receivables	6,515,137	5,874,451
Deposits and other assets	528,609	989,823
Total assets	1,720,215,892	1,629,130,042
LIABILITIES:		
Accrued expenses	5,317,690	5,329,263
Deferred income taxes (Note 8)	30,343,000	12,585,000
Unpaid claims (Notes 3, 5 and Exh. III)		
Outstanding Offers	9,053,378	13,021,945
Settled, not paid	1,546,521	1,546,667
Lease commitments payable (Note 4)	3,931,189	4,402,690
Total liabilities	50,191,778	36,885,565
NET CLAIMANTS' EQUITY (Note 5)	$1,670,024,114	$1,592,244,477

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, 2006 AND 2005

	2006	2005
NET CLAIMANTS' EQUITY, BEGINNING OF PERIOD	$1,631,697,081	$1,626,088,440
ADDITIONS TO NET CLAIMANTS' EQUITY:		
Investment income (Exhibit I)	63,953,609	(10,300,973)
Decrease in lease commitments payable (Note 4)	119,323	116,427
Net decrease in outstanding claim offers	336,743	2,449,101
Total additions	64,409,675	(7,735,445)
DEDUCTIONS FROM NET CLAIMANTS' EQUITY:		
Net operating expenses (Exhibit II)	1,626,183	1,395,946
Provision for income taxes	1,701,000	1,909,200
Change in deferred income taxes on available-for-sale investments (Note 8)	7,636,000	5,477,100
Claims settled	14,569,094	17,326,272
Contribution and indemnity claims settled	550,365	
Total deductions	26,082,642	26,108,518
NET CLAIMANTS' EQUITY, END OF PERIOD	$1,670,024,114	$1,592,244,477

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, 2006 AND 2005

	2006	2005
CASH INFLOWS:		
Investment income receipts	$10,536,137	$10,352,146
Net realized gains on available-for-sale securities	1,556,560	3,573,920
Total cash inflows	12,092,697	13,926,066
CASH OUTFLOWS:		
Claim payments made	13,764,734	16,977,601
Contribution and indemnity claim payments	550,365	0
Total cash claim payments	14,315,099	16,977,601
Increase in deposits and other assets	2,443	316,384
Disbursements for Trust operating expenses and income taxes paid	1,986,767	1,512,924
Total cash outflows	16,304,309	18,806,909
NET CASH OUTFLOWS	(4,211,612)	(4,880,843)
NON-CASH CHANGES:		
Net unrealized gains on available-for-sale securities	50,905,934	(35,431,152)
NET INCREASE IN CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE	46,694,322	(40,311,995)
CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE, BEGINNING OF PERIOD	1,666,477,824	1,662,577,763
CASH EQUIVALENTS AND INVESTMENTS AVAILABLE-FOR-SALE, END OF PERIOD	$1,713,172,146	$1,622,265,768

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, 2006 AND 2005

(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 that 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 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. 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 transactions between the Trust and CRMC have been eliminated in consolidation.

(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 the 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 2005 financial statements have been reclassified to conform to the 2006 presentation. These reclassifications have no effect on the previously recorded balance of Net Claimants' Equity.

(b) Cash Equivalents and Investments

At March 31, 2006 and 2005, the Trust has recorded all of its investment securities at market value, as follows:

	2006		2005	
	Cost	Market	Cost	Market
Restricted				
Cash equivalents	$2,149,430	$ 2,149,430	$2,469,125	$2,469,125
U.S. Govt. obligations	14,400,747	14,292,588	10,487,739	10,338,535
Corporate and other debt	5,359,925	5,260,329	8,486,380	8,336,934
Equities – U.S.	6,539,578	31,797,653	12,916,886	30,455,406
Total	$28,449,680	$53,500,000	$34,360,130	$51,600,000
Unrestricted				
Cash equivalents	$59,221,407	$59,221,407	$35,887,322	$35,887,322
U.S. Govt. obligations	251,036,362	245,441,203	248,637,405	245,855,967
Corporate and other debt	290,653,113	283,453,219	258,864,219	254,567,045
Equities – U.S.	800,665,557	951,713,026	866,829,311	923,881,676
Equities – International	80,859,806	119.843.291	90,752,362	110.473.758
Total	$1.482.436.246	$1.659.672.146	$1.500.970.618	$1.570.665.768

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, 2006, the fair value of these instruments was approximately $9.0 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 March 31, 2006, the Trust held $59.5 million in net foreign currency forward contracts. The unrealized loss on these outstanding currency forward contracts of approximately $0.1 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 March 31, 2006.

(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	$ 378,420
Acquisition of computer hardware and software	781,573
Computer software development (e-Claims)	2,361,065
Leasehold improvements	74,890
Total	$3,595,948

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 months ended March 31, 2006 and 2005 was approximately $0 and $2,400 respectively.

Total depreciation expense related to asset acquisitions using accounting principles generally accepted in the United States would have been approximately $138,200 and $163,400 for the three months ended March 31, 2006 and 2005, 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

Operating Leases

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 March 31, 2006, are as follows:

Calendar Year	Amount
2006	$ 360,952
2007	492,301
2008	504,638
2009	517,198
2010	530,115
2011	543,388
2012	557,017
2013	425,580
	$3,931,189

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. 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 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 $55,500 and $55,100 for the three months ended March 31, 2006 and 2005, 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 March 31, 2006, securities with a market value of $35.7 million were held by an escrow agent, of which $10.5 million is reported as restricted in accordance with the tax 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 state 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 March 31, 2006 and 2005, the Trust has recorded a net deferred tax liability of $30.3 million and $12.6 million, respectively from net unrealized gains on available-for-sale securities. As of March 31, 2006 and 2005, the Trust recorded net deferred tax assets of $319,500 and $348,600, 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.

(9) PROOF OF CLAIM FORMS FILED

Proof of claim forms filed as March 31, 2006 and 2005 with the Trust are as follows:

	2006	2005
Claims filed	770,357	754,501
Withdrawn (1)	(73,638)	(71,552)
Expired offers (2)	(16,429)	(16,199)
Active claims	680,290	666,750
Settled claims	(663,121)	(644,848)
Claims currently eligible for settlement	17,169	21,902

(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 March 31, 2006 and 2005, approximately 6,100 and 7,300 respectively, of the claims with expired offers are still eligible to accept their original offer with a payment value of $14 million and $17 million, respectively. All claims with expired offers may also 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 MONTHS ENDED MARCH 31, 2006 AND 2005

		2006		2005
INVESTMENT INCOME				
Interest	$	7,145,981	$	6,229,012
Dividends		4,992,873		4,988,371
Total interest and dividends		12,138,854		11,217,383
Net realized gains		1,556,560		3,573,920
Net unrealized gains and (losses)		50,905,934		(24,476,952)
Investment expenses		(647,739)		(615,324)
TOTAL INVESTMENT INCOME	$	63,953,609	$	(10,300,973)

The accompanying notes are an integral part of this exhibit.

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
CONSOLIDATED NET OPERATING EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

		2006		2005
NET OPERATING EXPENSES:				
Personnel costs	$	1,003,602	$	957,160
Office general and administrative		176,610		173,793
Travel and meetings		13,343		15,544
Board of Trustees		139,309		153,056
Professional fees		311,495		395,153
Net fixed asset purchases		0		2,428
Computer and other EDP costs		71,954		99,034
Other income		(90,130)		(400,222)
TOTAL NET OPERATING EXPENSES	$	1,626,183	$	1,395,946

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, 2006

	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	638,230	$29,389,969,048	
Reduction in Claim Value (2)		(27,089,397,313)	
Net Offer Amount	638,230	2,300,571,735	
Offers Accepted	(635,531)	(2,291,518,357)	$3,606
Offers Accepted, Not Paid	522	1,546,521	
Unpaid Balance	3,221	10,599,899	
Total Trust Liquidated Claims	663,121	3,344,064,221	$5,043
Manville Liquidated Claims Paid (3)	158	$24,946,620	
Co-Defendant Liquidated Claims (4)			
Settlement Claim Value		$89,206,750	
Investment Receipts (5)		2,624,732	
Payments, Net of Returned Settlement (6)		(91,831,482)	
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 (Note 10)

The accompanying notes are an integral part of this exhibit

MANVILLE PERSONAL INJURY SETTLEMENT TRUST
SCHEDULE OF LIQUIDATED CLAIMS
FOR THE THREE MONTHS ENDED MARCH 31, 2006

	Number	Amount	Average Payment Amount
Trust Liquidated Claims			
Post-Class Action Complaint After November 19, 1990 (1)			
Offers Outstanding as of December 31, 2005	2,382	$9,390,121	
Net Offers Made (2)	3,455	14,232,351	
Offers Accepted	(3,138)	(14,569,094)	$4,643
Offers Outstanding as of March 31, 2006	2,699	9,053,378	
Offers Accepted, Not Paid as of Mar. 31, 2006	522	1,546,521	
Payable as of March 31, 2006	3,221	$10,599,899	

Co-Defendant Liquidated Claims (3)	
Payable as of December 31, 2005	$0
Settled	550,365
Paid	(550,365)
Payable as of March 31, 2006	$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.

(3) Settled and paid amounts exclude the $10 million received from the MacArthur Group (Note 10)