

MANVILLE PERSONAL INJURY SETTLEMENT TRUST

TRUSTEES:

Robert A. Falise, Esquire
Chairman and Managing Trustee
Vero, Florida

July 26, 2006

Louis Klein, Jr., Esquire
Stamford, Connecticut

Frank J. Macchiarola, Esquire
Brooklyn, New York

Honorable Christian E. Markey, Jr.
Los Angeles, California

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 June 30, 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 second quarter of 2006, the Trust received approximately 3,350 new claim filings, of which 36% were for malignant diseases, compared to approximately 5,900 new claims during the same period in 2005, of which 27% were for malignant diseases.

During the second quarter 2006, the Trust settled approximately 3,444 claims for \$13.1 million compared to approximately 6,370 claims for \$20.4 million during 2005. The increasing proportion of malignancy claims has resulted in a higher claim settlement average and a greater share of claim payments being made to claimants with a malignancy. The average claim

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