

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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<i>In re</i>	:	
	:	Chapter 11 Case No.
ARMSTRONG WORLD INDUSTRIES,	:	
INC., et al.,	:	00-4471 (RJN)
	:	(Jointly Administered)
	:	
Debtors.	:	
-----	X	Re: Docket No. 4801

**ORDER (I) APPROVING THE DISCLOSURE
STATEMENT AND (II) ESTABLISHING NOTICE AND
OBJECTION PROCEDURES FOR CONFIRMATION OF THE PLAN**

Upon consideration of the proposed disclosure statement (as the same has been amended upon the filing of written modifications with the United States Bankruptcy Court for the District of Delaware (the “Court”) or as announced at the hearings conducted by the Court on February 28, 2003, April 4, 2003, May 2, 2003, and May 30, 2003 (collectively, the “Hearing”), (the “Disclosure Statement”) of Armstrong World Industries, Inc., as debtor and debtor in possession (“AWI”), with respect to AWI’s Fourth Amended Plan of Reorganization, dated May 23, 2003 (as the same has been or may be amended, the “Plan”); and upon the record of the Hearing and all of the proceedings had before the Court; and any objections to the Disclosure Statement having been withdrawn, overruled by the Court, or rendered moot by reason of modifications made to the Disclosure Statement and/or the Plan; and it appearing that the Court has jurisdiction over this matter; and due and sufficient notice of the filing of the Disclosure Statement, the Hearing, and this order as proposed having been provided, and it appearing that no other or further notice need be provided; and just cause existing for the relief granted herein;

THE COURT HEREBY FINDS AS FOLLOWS:

- I. The Disclosure Statement contains adequate information within the meaning of section 1125 of title 11 of the United States Code (the “Bankruptcy Code”).
- II. Actual notice of the Hearing was provided to all creditors who timely filed a proof of claim, all creditors listed in the Schedules as having a noncontingent, liquidated, and undisputed claim, all holders of AWI’s debt securities, the holder of AWI’s equity securities, all parties who have filed notices of appearance in this chapter 11 case pursuant to Bankruptcy Rule 2002, all parties on AWI’s Core

Group Service List and All Notices List in this case pursuant to the Court's Order Establishing Case Management Procedures and Hearing Schedule, dated February 11, 2002, the Securities and Exchange Commission, and the Internal Revenue Service and such notice constitutes sufficient notice to all interested parties.

III. Notice of the Hearing held on February 28, 2003 was published once in the weekday edition of the national editions of *The New York Times*, *The Wall Street Journal*, and *USA Today* at least one month prior to such Hearing, and the form and manner of such notice by publication constituted sufficient notice to all unknown creditors and parties in interest consistent with principles of due process.

IV. The form and manner of notice of the time set for filing objections to, and the time, date, and place of the Hearing to consider the approval of the Disclosure Statement was adequate and comports with due process.

V. The procedures set forth below regarding notice and the form of notice to be included in the solicitation packages annexed hereto as Exhibit "A" (the "Confirmation Hearing Notice") to all creditors of the time, date, and place of the hearing to confirm the Plan (as such hearing may be continued from time to time in accordance with this order, the "Confirmation Hearing") are adequate, comply with Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and constitute sufficient notice to all interested parties.

VI. The manner of notice provided for in this order to be given by publication to all unknown holders of Asbestos Personal Injury Claims (as such term is defined in the Plan) and the form of such notice in the form annexed hereto as Exhibit "B" (the "Asbestos Publication Notice") regarding the deadline for voting on, and objecting to confirmation of, the Plan and other information relating to the solicitation of votes on the Plan are adequate, comply with Bankruptcy Rules 2002 and 3017, and constitute sufficient notice to all unknown holders of Asbestos Personal Injury Claims consistent with principles of due process.

VII. The manner of notice provided for in this order to be given by publication of the time, date, and place of the Confirmation Hearing, the deadline for voting on, and objecting to confirmation of, the Plan, as well as other procedures relating to the Confirmation Hearing and the solicitation of votes

on the Plan and the form of notice in the form annexed hereto as Exhibit "C" (the "Confirmation Hearing Publication Notice") are adequate, comply with Bankruptcy Rules 2002 and 3017, and constitute sufficient notice to all unknown creditors and parties in interest consistent with principles of due process.

VIII. The notices of the Asbestos PI Permanent Channeling Injunction and the Claims Trading Injunction (as such terms are defined in the Plan) set forth in the Confirmation Hearing Notice and the Confirmation Hearing Publication Notice comply with Bankruptcy Rule 2002(c)(3) as such notices include in conspicuous language statements that the Plan proposes the injunctions, briefly describe the nature of the injunctions, and identify the entities subject to the injunctions.

IX. The period during which AWI may solicit votes on the Plan is a reasonable time for creditors and equity security holders to make an informed decision to accept or reject the Plan.

NOW, THEREFORE, IT IS:

ORDERED that, in accordance with section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017(b), the Disclosure Statement is APPROVED in all respects; and it is further

ORDERED that the Confirmation Hearing will commence at 9:30 a.m. Eastern Time on November 17, 2003, at the Martin Luther King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey, Courtroom 4609 or as soon thereafter as counsel may be heard; *provided, however,* that the Confirmation Hearing may be continued from time to time by the Court or AWI without further notice to any party in interest except an announcement made at the Confirmation Hearing; and it is further

ORDERED that objections, if any, to confirmation of the Plan or proposed modifications to the Plan must (i) be in writing, (ii) state the name and address of the objecting party and the nature of the claim or interest of such party, (iii) state with particularity the basis and nature of each objection to confirmation of the Plan or proposed modification to the Plan, and (iv) be filed, together with proof of service, with the Court and served so that they are actually received no later than 4:00 p.m. Wilmington, Delaware time on September 22, 2003 by the Clerk of the Court and each of the following parties: (a) the attorneys for AWI, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.) and Richards, Layton & Finger, P.A., One Rodney Square, P.O. Box 551,

Wilmington, Delaware 19899 (Attn: Mark D. Collins, Esq.); (b) the attorneys for the agent for AWI's prepetition bank lenders (the "Prepetition Lenders"), Duane, Morris, LLP, 1 Riverfront Plaza, 2nd Floor, Newark, NJ 07102 (Attn: William S. Katchen, Esq.) and Duane, Morris, LLP, 1100 North Market Street, Suite 1200, Wilmington, Delaware 19801 (Attn: Michael R. Lastowski, Esq.); (c) the attorneys for AWI's postpetition lenders (the "DIP Lenders"), Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178 (Attn: Robert Scheibe, Esq.) and Klett Rooney Lieber & Schorling PC, The Brandywine Building, 1000 West Street Suite 1410, P.O. Box 1397, Wilmington, Delaware 19899 (Attn: Terry Currier, Esq.); (d) the attorneys for the Official Committee of Unsecured Creditors (the "Unsecured Creditors' Committee"), Paul, Weiss, Rifkind, Wharton & Garrison, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Andrew N. Rosenberg, Esq.) and Cozen & O'Connor, Chase Manhattan Center, Suite 1400, 1201 North Market Street, Wilmington, Delaware 19801 (Attn: Mark E. Felger, Esq.); (e) the attorneys for the Official Committee of Asbestos Claimants (the "Asbestos Personal Injury Claimants' Committee"), Caplin & Drysdale, Chartered, 399 Park Avenue, 36th Floor, New York, New York 10022 (Attn: Elihu Inselbuch, Esq.), Caplin & Drysdale, Chartered, One Thomas Circle, Suite 1100, Washington D.C. 20005 (Attn: Peter Van N. Lockwood, Esq.), and Campbell & Levine, 1201 Market Street, 15th Floor, Wilmington, Delaware 19801 (Attn: Aileen Maguire, Esq.); (f) the attorneys for the Official Committee of Asbestos Property Damage Claimants (the "Asbestos Property Damage Claimants' Committee"), Klehr, Harrison, Harvey, Branzburg & Ellers, 919 Market Street, Suite 1000, Wilmington Delaware 19801 (Attn: Joanne B. Wills, Esq.); (g) the attorneys for the legal representative for AWI's future asbestos personal injury claimants (the "Future Claimants' Representative," and together with the Unsecured Creditors' Committee, the Asbestos Personal Injury Claimants' Committee, and the Asbestos Property Damage Claimants' Committee, the "Committees"), Kaye Scholer, LLP, 425 Park Avenue, New York, New York 10022 (Attn: Michael J. Crammes, Esq.) and Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 17th Floor, 1000 West Street, Wilmington, Delaware 19801 (Attn: James L. Patton, Jr., Esq.); and (h) the United States Trustee for the District of Delaware (the "U.S. Trustee"), 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801 (Attn: Frank Perch, Esq.) (collectively, the "Notice Parties"); and it is further

ORDERED that objections to confirmation of the Plan not timely filed and served in the manner set forth above shall not be considered and shall be overruled; and it is further

ORDERED that AWI, the DIP Lenders, the Prepetition Lenders, and the Committees may file and serve replies, if any, to any objections to confirmation or proposed modifications to the Plan, and such replies shall be filed and served so that such replies are actually received by no later than 4:00 p.m., Wilmington, Delaware time on October 24, 2003 by the Court, the objecting party, and each of the Notice Parties; and it is further

ORDERED that the Voting Deadline, as such term is defined in the Plan and used in the Voting Procedures approved by an order of the Court dated April 21, 2003, will be 5:00 p.m., Wilmington, Delaware time on September 22, 2003; and it is further

ORDERED that, at least five (5) Business Days prior to the Confirmation Hearing, AWI shall cause to be filed with the Court a certification of the tabulation of the Ballots by the Voting Agent, which tabulation shall (i) set forth the amount and number of Claims and Equity Interests in each class entitled to vote on the Plan voting to accept and voting to reject the Plan; (ii) with respect to Asbestos Personal Injury Claims, set forth the amount of votes to accept and to reject the Plan separately for each disease category set forth in the Voting Procedures; (iii) list, by class, any Ballots excluded from tabulation pursuant to section 6.d. of the Voting Procedures; and (iv) set forth a list of all claimants that the Voting Agent contacted to cure defects pursuant to section 6.e.(ii) of the Voting Procedures; and it is further

ORDERED that the equity securityholders of Armstrong Holdings, Inc. shall have standing to file objections to confirmation of the Plan; and it is further

ORDERED that (a) notwithstanding the Voting Procedures, the Holdings Record Date, as such term is defined in the Voting Procedures, will be May 19, 2003 or such later date as the Board of Directors of Armstrong Holdings, Inc. may set, and (b) AWI is hereby authorized and directed to cause a Solicitation Package, as such term is defined in the Voting Procedures, to be served on the equity securityholders of Armstrong Holdings, Inc. by no later than the earlier of (i) the deadline for distribution of the proxy solicitation materials relating to the Holdings Plan of Liquidation, as such term is defined in the Plan, and (ii) thirty (30) days prior to the Voting Deadline; and it is further

ORDERED that AWI is hereby authorized and directed to mail or cause to be mailed by first-class mail by no later than June 20, 2003 (or, with respect to equity securityholders of Armstrong Holdings Inc., such later date as provided in the immediately preceding paragraph), a Solicitation Package to all entities as provided in the Voting Procedures; and it is further

ORDERED that Section 4.a(i)(2) of the Voting Procedures is hereby amended to read as follows: “If an attorney who receives a Solicitation Package either (i) is unable to certify with respect to any holder of an Asbestos Personal Injury Claim represented by such attorney that such attorney has the authority to vote on the Plan on behalf of such holder or (ii) wishes any holder of an Asbestos Personal Injury Claim represented by such attorney to cast his or her own Ballot on the Plan, such attorney shall, within thirty (30) days after the deadline for the mailing of the Solicitation Packages as set forth herein, furnish the Voting Agent with the name and address of each such holder.”; and it is further

ORDERED that, if any attorney for a holder of an Asbestos Personal Injury Claim requests, in accordance with the Voting Procedures, that Solicitation Packages be sent directly to his or her clients, AWI may include as part of the Solicitation Package a letter from such attorney to his or her clients; and it is further

ORDERED that any list of individual holders of Asbestos Personal Injury Claims provided by an attorney for such holders to AWI or to any agent of AWI in connection with the Plan shall be used solely for the purpose of facilitating the distribution of Solicitation Packages to holders of Asbestos Personal Injury Claims in accordance with instructions provided by such attorney to AWI or AWI’s agent and shall not be used for any other purpose; and it is further

ORDERED that, within thirty (30) days after entry of this order, AWI also shall mail Solicitation Packages to (i) the U.S. Trustee, (ii) the attorneys for the agent for the Prepetition Lenders, (iii) the attorneys for the agent for the DIP Lenders, (iv) the attorneys for the Committees, (v) all persons or entities that have filed a request for notice pursuant to Bankruptcy Rule 2002 in AWI’s chapter 11 case, (vi) the Securities and Exchange Commission, and (vii) the Internal Revenue Service; and it is further

ORDERED that, with respect to addresses from which notices of the hearing to approve the Disclosure Statement were returned to AWI as undeliverable by the United States Postal Service, AWI

is excused from mailing Solicitation Packages to those entities listed at such addresses unless AWI is provided with accurate addresses for such entities prior to August 22, 2003, such entities shall be deemed unknown creditors for notice purposes, and failure to mail Solicitation Packages to such entities will not constitute inadequate notice of the Confirmation Hearing and the Voting Deadline; and it is further

ORDERED that AWI shall publish the Asbestos Publication Notice once in each of the publications set forth on Exhibit "D" hereto on a date not less than thirty (30) calendar days prior to the Voting Deadline; and it is further

ORDERED that AWI shall publish the Confirmation Hearing Publication Notice not less than thirty (30) calendar days prior to the Voting Deadline (i) twice in the weekday edition of the national editions of *The New York Times*, *The Wall Street Journal*, and *USA Today*, (ii) once in each of the trade publications set forth on Exhibit "E" hereto, and (iii) once in each of the newspapers set forth on Exhibit "F" hereto; and it is further

ORDERED that the provision of notice in accordance with the procedures set forth in this order and the Voting Procedures shall be deemed good and sufficient notice of the Confirmation Hearing, the time fixed for filing objections to confirmation, or proposing modifications to, the Plan, and the Voting Deadline; and it is further

ORDERED that AWI is authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other related materials prior to their mailing to parties in interest; and it is further

ORDERED that AWI is authorized to take or refrain from taking any action necessary or appropriate to implement the terms of and the relief granted in this order without seeking further order of the Court.

Dated: Wilmington, Delaware
June 2, 2003

/s/ Randall J. Newsome
THE HONORABLE RANDALL J. NEWSOME
UNITED STATES BANKRUPTCY JUDGE