

LENNAR STATEMENT IN RESPONSE TO MEDIA INQUIRIES

December 22, 2008

The following statement is by Lennar Division President Darin McMurray:

“So far, our investigation in Southwest Florida shows that independent subcontractors installed Chinese drywall in a very small percentage of Lennar homes built between November 2005 and November 2006.

“Lennar has taken extensive measures to ensure the safety of our homeowners and their families. Scientific testing shows no indication of any health risks to our homeowners.

“Lennar has been working with our homeowners on long-term solutions based on the specific testing of their homes.

“Our first concern is our homeowners. Lennar will continue to stand by our homes and work closely with homeowners to resolve their concerns.”

FOR BACKGROUND USE

Lennar monitors repair requests in all of our homes as part of our commitment to deliver quality, value and service. When we noticed that a number of our homes in Southwest Florida were experiencing problems with air conditioning systems, we began taking a closer look.

After months of careful investigation, we learned that the problem does not always stem from the air conditioning unit itself, but, in some cases, from the drywall. Some drywall can emit a naturally occurring sulfur compound that, when it interacts with the copper in the AC coil, can cause corrosion and lead to failure.

Our investigation revealed that sheets of drywall manufactured in China were installed in some Lennar homes by independent subcontractors. Lennar did not know that the manufacturers and subcontractors supplied and installed Chinese drywall until months after the materials had been installed in our homes.

Lennar hired ENVIRON International, a leading global environmental firm, to conduct extensive air sampling in more than 50 homes. The environmental scientists and toxicologists at ENVIRON have confirmed that the presence of sulfur compounds inside the homes is far lower than even the most stringent government health and safety standards. As a result, there is no indication that the substances pose any health risks to our homeowners.

For more information, contact Glenn Bunting or Tammy Taylor at (310) 788-2850.

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