

Draft Media Class Action Statement
February 2, 2009

Knauf Plasterboard Tianjin Co., Ltd.'s (KPT) plasterboard constitutes only a minority of the imported Chinese plasterboard. Since it has been advised of a potential claim, it has invested in exhaustive laboratory testing to determine the possible cause of the HVAC and other odor problems. However, KPT was not allowed access to or an opportunity to test many of the homes, including the homes in this lawsuit filed on Friday.

KPT brands all of its plasterboard, consistent with custom, practice, industry standards and the laws of China. KPT now has reason to believe that most plasterboard imported to the U.S. by other Chinese manufacturers was not branded. Moreover, distributors of the Chinese drywall in Florida made no distinction between the different manufacturers of the drywall or whether the product was U.S. or foreign-made. As a result, in recent press coverage, Knauf Plasterboard Tianjin Co., Ltd., has borne the full brunt of the recent controversy over imported plasterboard simply because KPT has been trying to responsibly work with homebuilders to address their complaints. With the exception of Florida, no complaint had ever been raised and no product had been rejected because of the scent in the nine years of KPT's operation.

There are numerous manufacturers of plasterboard in China as well as other countries. Because of a shortage of construction materials from a booming housing market and massive damage in the U.S. in 2005 by Hurricanes Katrina and Wilma, U.S. builders began importing significant stocks of plasterboard. During 2006, plasterboard from various countries was used including China, as well as Mexico and Canada along with U.S. plasterboard. There are other plasterboard manufacturers, many of whom obtained product from the same mining area as KPT, in China that imported plasterboard to the U.S. KPT only manufactured approximately 20% of the plasterboard that was imported from China into the U.S.

KPT is the only company to conduct testing and respond to builders' complaints and is a socially responsible company and abides by the highest standards for manufacturing. The company remains committed to assuring the health and safety of the ultimate consumers of its products in the construction industry as it has in the past.

The company continues to conduct a thorough investigation and is cooperating with builders and the Florida Department of Health (FDOH). Studies and testing by nationally recognized experts are ongoing. Any low levels of sulfur compounds present in the air in homes are not a health risk to persons within the homes. This has been tested against both residential and work standards. The substances identified in testing are in no greater amounts than the air found outside homes or in soil, marshes or the ocean. There are no associated health risks with the KPT product.

KPT intends to fully cooperate with the FDOH and others to remediate the problem. As for the class action lawsuit that has been filed against it in the Middle District of Florida, at this time given the facts available, KPT will vigorously defend against the class action lawsuit, which we believe has no merit based upon the facts and circumstances as we know them today.