

## **MEDIA STATEMENT FOR LENNAR LITIGATION**

### **February 2, 2009**

Although we have yet to see a copy of the complaint that was filed, we understand that a lawsuit has been filed by Lennar Homes. It is unfortunate that Lennar Homes has decided to file a lawsuit against the only Chinese manufacturer that is actively responding to claims by Lennar and other builders. In taking this step, Lennar Homes is rejecting the working relationship that the two companies had developed to focus on solutions for Lennar's homeowners in Florida.

Lennar, as the developer, has shifted its responsibility to a group of defendants including Knauf Plasterboard (Tianjin) Co., Ltd. (KPT). The company firmly believes that litigation is an unneeded distraction from seeking solutions to the issues facing Florida homeowners. KPT takes those complaints seriously and intends to continue to seek solutions for their complaints regardless of Lennar's decision to turn to the courts, which will only delay resolution of the issue.

KPT's primary focus has been on ensuring the health and safety of the end-users of its product. KPT responded immediately to inquiries by builders that raised health concerns and hired experienced experts, who determined that there were no health risks to people. The company will not be a scapegoat for homebuilders who would seek a quick and convenient bailout based on false claims. The company intends to vigorously defend its good name and reputation.

"Based on comparison with public and occupational exposure limits, toxicology testing data and existing data regarding environmental air concentrations, the measured concentrations of sulfur-containing compounds in homes containing KPT products are not a public health concern," said Dr. Philip Goad, Ph.D, Principal Toxicologist, Center for Toxicology and Environmental Health, LLC. Dr. Goad's opinion is consistent with the opinion of Environ, Lennar's consultant.

KPT's immediate response to Lennar's and other home builders' concerns regarding the deposition of sulfur-containing compounds on copper and reported failures of copper condensers in HVAC units is consistent with its dedication to providing quality products as it has done for almost a decade in the Asian market.

Contrary to Lennar's claims that KPT has not stood behind its product, KPT was the only manufacturer actively working with Lennar and other builders on potential solutions to the identified problems, even though KPT only accounts for approximately 20% of the Chinese plasterboard imported into the United States during this time period, the end of 2005 through the beginning of 2007.

Lennar has made KPT aware of odor and copper issues and identified the plasterboard manufacturer of nine homes. Five of those homes had another manufacturer's plasterboard in them, not KPT's. KPT plasterboard was in four homes, and one of those homes was mixed with other manufacturers' plasterboard.

KPT sees the filed complaint as an additional hurdle, impeding its efforts to investigate the cause of the copper deposition and seek practical solutions to the issues facing Florida homeowners. KPT takes those complaints seriously and intends to continue to work to address complaints relating to its product despite Lennar's legal action.