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**Despite obstruction of justice allegations PolyMedica instructs employees not to volunteer information to federal investigators.**

Yesterday PolyMedica Corporation (NASDAQ: PLMD, $31.08) disclosed that it expects federal investigators to contact its current employees for interviews concerning the ongoing U.S. Department of Justice investigation of PolyMedica’s Medicare billing practices. PolyMedica will pay employees’ legal costs if they use its designated law firm. PolyMedica did not disclose if it will reimburse employees if they seek legal advice from an independent lawyer. PolyMedica instructed its employees not to disclose any conversations the employees have had with PolyMedica’s attorneys or to volunteer to provide any documents to the federal investigators.

PolyMedica also disclosed that the federal government may issue grand jury subpoenas to some of its employees.

The Department of Justice is currently conducting a criminal investigation of PolyMedica’s Medicare billings. The investigation commenced on or about June 24, 1999. On August 21 and 22, 2001, pursuant to a Federal court order, the FBI conducted a search of PolyMedica’s facilities and the homes of two of its officers. The allegations against PolyMedica reported in its August 14, 2002 form 10-Q filing expanded to include obstruction of justice.

In June 2000 the Health and Human Services’ Office of Inspector General (“OIG”) published its report concerning fraudulent and abusive practices in the blood glucose test strip (“strip”) market. The report questioned whether some of the products that Medicare had paid for were even delivered. A 2002 study conducted by the OIG shows that Medicare overpaid at least $244 million for strips. PolyMedica generated 72% of its total net revenues in fiscal 2002 from sales of strips and related products. The Centers for Medicare and Medicaid Services has the authority to decrease excessive reimbursements for durable medical equipment by up to 15% per year. A 15% reimbursement reduction to PolyMedica could have resulted in a loss of approximately $30 million in revenues during fiscal 2002. PolyMedica made $36.7 million in pre-tax income in fiscal 2002, excluding $12.2 million of capitalized advertising expenses net of amortization.

Asensio & Company, Inc. believes PolyMedica’s results are not sustainable and that its stock is grossly overvalued. Our reports on PolyMedica are available at www.asensio.com.