

February 11, 2004

PLMD admits over billing Medicare.

Asensio & Company, Inc. reiterates its Strong Sell and Short Sell opinion on shares of PolyMedica Corporation's publicly traded common stock (NASDAQ: PLMD, \$25.75). Our latest research report issued today is available at www.asensio.com.

The report is a response to comments made by PolyMedica's Chairman and Chief Executive Officer concerning the federal government's criminal investigation of PolyMedica and PolyMedica's disclosure that it had collected, by its own admission, an estimated \$17.7 million from Medicare without having the required doctor's orders. PolyMedica's CEO claimed that amount was based on a sample study that PolyMedica had created and executed.

PolyMedica did not disclose the study or any information concerning its calculation of the estimated amount. Yet PolyMedica went on to characterize the \$17.7 million in over billing as not systemic, materially insignificant and merely due to acting "not strictly in accordance with Medicare rules." The disclosures were made during PolyMedica's February 5th earnings conference call.

It is important to note that the individual making the statements on behalf of PolyMedica, Samuel L. Shanaman, age 62, had been PolyMedica's Interim Chief Executive Officer. PolyMedica has been seeking a Chairman and CEO since its long-time CEO left in August 2002. Mr. Shanaman was made Chairman and CEO after a 17 month search failed to find anyone to accept the position. Four of PolyMedica's five largest individual shareholders and its three top officers have left in the wake of PolyMedica's criminal investigation.

It is Asensio & Company, Inc.'s opinion that PolyMedica's reported criminal conduct has grossly inflated its stated earnings and created liabilities that far exceed its highest-estimated asset value. Exclusive of this evaluation, we believe PolyMedica's accounting policies have overstated its assets and sales, and understated its expenses. We also have a strong negative opinion about its management. Asensio & Company, Inc. believes PolyMedica's stock is grossly overvalued. Our reports on PolyMedica are available at www.asensio.com.

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