



Physio-Control, Inc.
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August 23, 2007

Dear Customers, Partners and Friends of Physio-Control:

In January 2007, we informed you that we had voluntarily suspended shipments of certain products to U.S. based customers in order to refocus resources to address some quality system issues in our Redmond manufacturing facility that were identified by Physio-Control, Medtronic and the U.S. Food and Drug Administration (FDA).

Since then we have made considerable progress in improving our quality systems. We are pleased to inform you that Physio-Control is making a limited selection of products available to support the most critical requirements of our customers in the U.S. This decision will ensure that emergency care providers can continue to support the needs of public health and safety in the U.S., and will allow Physio-Control to concentrate on completing the current phase of improvement in our quality processes.

Physio-Control and the FDA are continuing discussions regarding necessary corrective actions for the Physio-Control quality systems. While the issues are not fully resolved, substantial resources and energies have been placed on improving our quality processes. We realize the burden that this has placed on customers and we are doing whatever it takes to resolve these issues in a timely manner and, in the interim, address our customers' specific and immediate public health needs for LIFEPAK units, as well as continue our service and repair operations for these products.

We understand that some of our competition is claiming that we are going out of business or are exiting the market. Nothing could be farther from the truth. The quality process challenges we face are growing industry challenges we all must address. As device manufacturers, it is our responsibility to *do the right thing* whatever the cost to our businesses, but not at the expense of our customers. Physio-Control stands behind our product quality and that commitment means we take action when action is needed.

At Physio-Control, we are committed to delivering quality products that exceed our own, and our customer's, expectations. We know that when LIFEPAK defibrillators are used, a great deal is at stake—our products help lifesaving teams do their jobs. We believe nothing is more important. In the meantime, we are addressing customers' most critical public health needs while continuing to make progress with our efforts with the FDA and the improvement of our quality processes.

Thank you for your patience and support. We are moving ahead rapidly and will provide updated information as it becomes available. If we can provide additional information to answer your questions, please feel free to contact anyone on the Physio-Control team.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Webster". The signature is fluid and cursive, written in a professional style.

Brian Webster, President
Physio-Control, Inc.