

Dear Customers, Partners and Friends of Physio-Control

On Tuesday, January 16, 2007 we announced our voluntary suspension of U.S. shipments of LIFEPAK® external defibrillators and some related products. The suspension of U.S. product shipment was taken in order to focus on Physio-Control's Quality System improvements. Those areas were identified in a recent FDA audit and focused on the areas of procedural follow-through of our quality documentation processes, management oversight and internal quality system documentation. We informed the FDA of our decision and intend to work with them to address these issues so that our products can be returned expeditiously to the market.

One thing that has remained constant in our 52-year history is our deep commitment to designing and building lifesaving products and solutions that help you save lives. And as the market leader in external defibrillation systems, it is our responsibility to ensure the highest quality products are in the hands of customers. We take quality assurance issues very seriously and are committed to improving our processes to address the FDA's concerns and also to exceed our own strict internal quality requirements.

We've heard about the "doom and gloom-sayers" in the competitive market who are predicting the imminent demise of Physio-Control. Rest assured we will remain a strong, viable, market leading company. While this is a difficult period in our recent history, I am proud to say that those of you who can wait for your products—are waiting until we begin shipping again. Your belief in our business and LIFEPAK defibrillators remains constant. I want to personally thank our customers, partners and friends who have shared messages of commitment and support. With the additional support from our parent company, Medtronic, I have every reason to expect our market leadership to continue.

The success of our business is a result of the hard work and commitment of our Team. I have great confidence in The Team as we work hard through this challenging time and look forward to a successful and bright future. We have always considered our customers, partners and friends to be part of our Team, and that still holds true. Together, we can save even more lives from sudden cardiac arrest all around the world.

I will continue to provide updates as they become available. We are certain that the end results will be the best-in-class products, quality and service that our customers have come to rely on for more than 50 years.

Regards,



Brian Webster, President
Physio-Control, Inc.