

**ASENSIO
& COMPANY
INC.**

Investment Banking

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May 28, 2002

Herbert Denton
Chairman of the Oversight Committee
Board of Directors
PolyMedica Corporation
11 State Street
Woburn, MA 01801

Dear Mr. Denton:

It has been reported to us that you are commenting on the short interest in PolyMedica's stock and the Federal Bureau of Investigation's ("FBI") search implying that there may have been improper communications between short sellers and the FBI. We have reviewed the short-interest in PolyMedica's stock. We also reviewed publicly-available information concerning the government's criminal investigation of PolyMedica. We believe this information, along with PolyMedica's high stock price, questionable management and poor quality of earnings, provide a very firm basis for PolyMedica's short position. We found no reasonable basis for your reported comments.

Your reported comments came shortly after a so-called "short seller" and several current and former FBI agents were indicted on charges of improper conduct. Earlier you made wrongful promotional claims concerning an SEC notice. The SEC notice did not exonerate PolyMedica and can not be used as a defense against any civil or criminal proceedings. PolyMedica is facing serious criminal liabilities that are independent of the controversies surrounding its questionable stock promotion.

As of May 15, 2002, short sellers had a reported \$201.7 million investment in PolyMedica's market. A large number of highly experienced institutional short sellers believe that PolyMedica has been and is currently engaging in Medicare fraud and irregular accounting that very reasonably make its stock entirely worthless. Short sellers' opinions vary on the event that will cause this highly probable outcome. Your comments in this instance and prior questionable behavior only add to the implied short seller thesis; which includes the beliefs that PolyMedica's management is not independent of the reported criminal conduct; is not providing fair and complete information to investors; and is engaged in a cover-up necessitated by the guilt and seriousness of their actions.

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Again, we request a response and express our willingness to speak with you at any time. We would publish your response. However, we reserve the right to publish this letter independently of your failure to respond.

Sincerely,
ASENSIO & COMPANY, INC.

Manuel P. Asensio /cm

Manuel P. Asensio
Chairman, President and
Chief Executive Officer

cc: Guy Lewis
United States Attorney
Southern District of Florida
Facsimile: (305) 530-7087

Thomas Scully, Administrator
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