



July 5, 2006

Dear MartinLogan Supporter,

Last week it came to our attention that MartinLogan products were being advertised for sale at Costco.com. *This is, of course, unauthorized.* As you know, we diligently monitor unauthorized sales of ML products and vigorously act to protect the MartinLogan brand.

*MartinLogan has taken the following steps to correct the situation:*

1. We have contacted Costco.com and asked them to remove ML products from their site. We hope to have resolution on this front soon and will keep you posted.
2. We have taken aggressive steps to identify the supply source.
3. We have reminded our authorized dealers of our policies on this matter.

I appreciate your continued support as we work through this issue and assure you that all of us at MartinLogan take this seriously. It is important to note that these things only happen to brands that are in demand and although it is an affirmation of the success that ML is enjoying in the marketplace it is also a nuisance which we will deal with swiftly.

Sincerely,

Rafael A. Nevares  
President & CEO  
MartinLogan Ltd.