

The Companion II will be made available in the U.S. and Europe as soon as it receives regulatory approval.

We are witnessing a paradigm shift as cardiologists understand and embrace the CardioWest artificial heart. This growing acceptance has opened this life-saving treatment option to an increasing number of patients in the U.S. and around the world.

SynCardia and the CardioWest artificial heart have only begun to fulfill Dr. Kolff's vision. Heart disease is the number one killer in the developed world and the ravages of Congestive Heart Failure (CHF) are growing at an alarming rate. It is estimated that in the U.S. alone, 5 million people suffer from CHF with 550,000 new cases diagnosed each year.

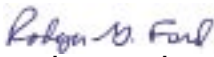
SynCardia's CardioWest artificial heart technology provides a "second chance at life" and has no equal. When all other treatments fail, the CardioWest artificial heart can save the sickest of the sick.

Our ability to help these dying patients is limited only by our ability to produce CardioWest artificial hearts, supply drivers and train and support the best heart centers in the world. We are working relentlessly to meet these challenges on all fronts.

Sincerely,



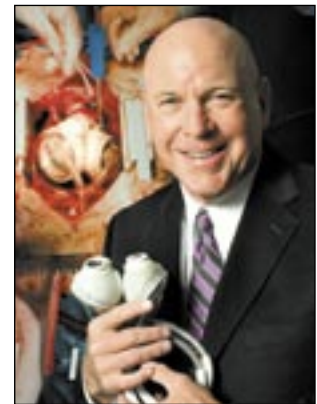
**Marvin Slepian, M.D.**  
*Founder, Chairman of the Board and  
 Chief Scientific Officer*



**Rodger Ford**  
*President and Chief Executive Officer*



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The Companion Driver is an investigational device, limited by United States law to investigational use.

CAUTION - 10cc & 30cc VAD prototypes, 50cc TAH-t prototype and Companion II Driver prototype. Not for Human Use. These products are in the research and development phase and will not be available for sale in the United States or Europe until after all regulatory requirements have been met.



Pictured is SynCardia's VP David Mackstaller with the Companion Discharge Driver and the CardioWest artificial heart. To the right is Rodger Ford, President and CEO, with the prototype of the 4 lb Companion II Driver. These drivers are being designed to power the artificial heart and SynCardia's future family of pulsatile devices.



70cc artificial heart



50cc artificial heart



30cc VAD



10cc VAD

## 2007 ANNUAL REPORT



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