

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

1st QUARTER, 2003

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If you have any questions regarding treatment of any confidential information received in connection with your investment in the Funds, please contact John J. Park at (609) 924-6452 or by email at johnpark@cardinalpartners.com.

CARDINAL HEALTH PARTNERS, L.P.

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1st QUARTER, 2003

TABLE OF CONTENTS

QUARTERLY ACTIVITY SUMMARY	1
FINANCIAL STATEMENTS	3
SUMMARY VALUATION MEMO	12
ACCENTCARE, INC.	17
ATHENAHEALTH, INC.	20
ESURG CORPORATION	23
MEDCONTRAX (Formerly SYNTEGRA HEALTHCARE)	26
MOLECULAR MINING CORPORATION	27
NEXCURA, INC. (Formerly CANCERFACTS.COM)	30
POINTSHARE CORPORATION	33
TECHRX, INCORPORATED / NDCHEALTH, INC.	34
VISICU, INC. (Formerly IC-USA, INC.)	37

TO: The Limited Partners

FROM: John K. Clarke

DATE: June 16, 2003

SUBJECT: Activity for the Quarter ended March 31, 2003

Entering 2003, our portfolio continued progress toward maturity and liquidity. Most of our active companies had a very solid quarter. AccentCare, Athena and VISICU all continue to exhibit strong revenue growth and have achieved or have a clear path towards achieving cash flow break-even. The pressure on marketing budgets in the pharmaceutical industry has impacted NexCura's revenue growth, but management has done an excellent job of controlling expenditures to meet its overall financial forecast. On the downside, after failing to attain any sales traction or obtain suitable financing, Molecular Mining has ceased operations. A synopsis of portfolio company activity for the quarter follows.

AccentCare – For calendar 2003, AccentCare has forecasted revenues of \$95 million, with the achievement of cash flow breakeven in the fourth quarter. Increasing workers compensation costs in West Coast operations has unfavorably impacted the current quarter's financial results. Management has proposed a self-insurance plan that could save upwards of \$1 million annually. We are looking to the new CEO to deliver better and more predictable bottom line results.

AthenaHealth – The first quarter was one of record sales and across the board solid financial performance for Athena. Revenues were over \$5 million, increasing 18% from the prior quarter and producing a 41% improvement in gross margin. Sales growth continues to look strong and management now predicts lower monthly cash burns for the remainder of the year until achieving breakeven in Q4. We remain very hopeful that 2003 is the breakout year for Athena.

Esurg – Financial Performance for Esurg continues to be better than plan, but not at the same level as has occurred during most of 2002. Sales growth has slowed considerably, while the skeleton team tasked with restructuring and selling the company continues to do an outstanding job of managing costs and lowering cash burn. However, discussions with potential buyers are at a virtual standstill and we are growing more pessimistic regarding a positive exit option for the company.

Molecular Mining – Sales of the company's software products continued to be disappointing, with no sign of a significant ramping. In reaction, management proposed a revised 2003 budget with a reduced cash burn plan and lower sales forecast that could only support operations for nine months. Without confidence in management's sales forecast, or any viable financing/merger alternative, the Board voted in March to initiate an orderly liquidation of the company's assets. Under these circumstances, we have reduced the carrying value for our investment to a minimal value.

NexCura – Revenues for the quarter were unfavorably impacted by a general decrease in marketing budgets across its pharmaceutical customer base. Notwithstanding this revenue shortfall, bottom line performance for the company was ahead of plan as a result of lower headcount and good control over discretionary spending. The investors are working closely with the new CEO to ensure the company remains on track for attaining cash flow breakeven by yearend.

TechRx/NDCHealth – Results for the third quarter of Fiscal 2003 (FYE 5/31) at NDCHealth (NYSE: NDC) were below analyst expectations. The company reported a net loss of \$3.7 million, or \$0.11 per share, on revenues of \$109 million. These results were primarily due to an \$11.6 million write-down related to the company's investment in MedUnite plus a \$2.3 million debt restructuring charge. EBITDA for the quarter grew 33% to \$34.6 million. Net cash provided by operations for the year is expected to be in the range of \$85-\$90 million. Recent guidance from management points towards a cash-out for our TechRx shares totaling between \$2.5 and \$3.0 million. Our NDC common stock holdings remain restricted from sale until June 2003.

Visicu – VISICU enters 2003 with expectations of achieving revenues in excess of \$12 million plus a substantial backlog. Sales continue to be robust and management firmly believes the company will be profitable by the end of the year. Results for the quarter shows revenues and gross margin behind plan as a result of longer than forecast implementation cycles. However, operating expenses were better than plan and the resulting bottom line was within 2% of forecast. During the quarter, the company successfully completed a \$2 million equipment leasing facility.

Included in this report are financial statements for the period, an investment valuation memorandum and a report on each of our portfolio companies.

Financial Results:

Fund activity for the quarter shows no new investment activity or asset liquidity. Net loss for the quarter was \$2 million, including \$157K in net operating expense (reflecting the initial reduction in management fees), \$883K in net unrealized losses related to the market price decrease for the quarter on our NDCHealth common stock plus the \$1 million mark-down on Molecular Mining. The cash balance at the end of the period was \$20K, with net assets totaling \$21.2 million.

Looking forward:

We remain confident that the portfolio has value potential substantially beyond that of our current carrying value. We are diligently pursuing all avenues to realize that value in the portfolio by working closely with company management and exploring all alternatives in order to ensure the best return for our investors. Additional liquidity for our partners will be forthcoming from our TechRx and NDCHealth holdings over the next few quarters.

CARDINAL HEALTH PARTNERS, L.P.
Income Statement
For the Period Ended March 31, 2003

	Three Months Ended 03/31/03
Revenue:	
Non Portfolio Income	\$101
Interest-Equivalent Amounts	0
Expenses:	
Management Fee	152,480
Professional Fees	5,214
NVCA Dues & Expenses	0
Amortization of Organization Costs	0
Miscellaneous Expenses	0
Total Expenses	<u>157,694</u>
Net Operating Expense	(157,593)
Investment Income	<u>19,745</u>
Net Income Before Gains (Losses)	(137,848)
Realized Gains (Losses)	0
Unrealized Gains (Losses)	<u>(1,905,133)</u>
Net Income (Loss)	<u><u>(\$2,042,981)</u></u>

CARDINAL HEALTH PARTNERS, L.P.
Balance Sheet
As of March 31, 2003

ASSETS:	Period Ended 03/31/03	Period Ended 12/31/02
Cash and Short-Term Investments	\$19,715	\$39,702
Accrued Interest	13,109	9,484
Escrow for Investment	0	0
Venture Capital Investments	21,462,429	23,367,562
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	210,051	210,051
	<u>\$21,705,304</u>	<u>\$23,626,799</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$527,694	\$406,208
Investment due Portfolio Company	0	0
Partners' Accounts	21,177,610	23,220,591
Total Liabilities and Capital	<u>\$21,705,304</u>	<u>\$23,626,799</u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of March 31, 2003

Note 1 - Cardinal Health Partners, L.P. is a Limited Partnership and as such is not subject to income taxes at the partnership level.

Note 2 - Net Organization Costs:	<u>03/31/03</u>	<u>12/31/02</u>
Organization Costs	\$179,000	\$179,000
Accumulated Amortization	<u>(179,000)</u>	<u>(179,000)</u>
Total	<u>\$0</u>	<u>\$0</u>

Note 3 - General Partner Promissory Notes:	<u>03/31/03</u>	<u>12/31/02</u>
GP Promissory Note Principal	\$210,051	\$210,051
Offset against Partners' Capital	<u>0</u>	<u>0</u>
Total	<u>\$210,051</u>	<u>\$210,051</u>

Note 4 - Accrued Expenses:	<u>03/31/03</u>	<u>12/31/02</u>
Accounting & Audit	\$23,000	\$18,000
Management Fees	504,480	388,208
NVCA Dues and Other	0	0
Legal & Other Professional Fees	<u>214</u>	<u>0</u>
Total	<u>\$527,694</u>	<u>\$406,208</u>

CARDINAL HEALTH PARTNERS, L.P.
Statement of Cash Flows
For the Period Ended March 31, 2003

	Three Months Ended <u>03/31/03</u>
Cash flows from operating activities	
Net Income Before Gains (Losses)	(\$137,848)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:	
Accrued Interest Receivable	(3,625)
Net Organization Costs	0
Other Assets	0
Accrued Expenses & Payables	<u>121,486</u>
Net Cash used in Operating Activities	(19,987)
Cash flows from investing activities	
Purchases of venture capital investments	0
Sales of venture capital investments	<u>0</u>
Net cash used in investing activities	0
Cash flows from financing activities	
Cash contributions by partners	0
Cash distribution to partners	<u>0</u>
Net cash provided by financing activities	0
Net Change in Cash and Short Term Investments	(19,987)
Cash and Short Term Investments, beginning	<u>39,702</u>
Cash and Short Term Investments, ending	<u><u>\$19,715</u></u>

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of March 31, 2003

Company	Debt	Equity	Total Cost	Fair Value	Unrealized Gain (Loss)
AccentCare, Inc.	\$0	\$4,500,002	\$4,500,002	\$3,898,100	(\$601,902)
AthenaHealth, Inc.	0	3,000,000	3,000,000	6,600,000	3,600,000
Esurg Corporation	0	3,999,999	3,999,999	1,000	(3,998,999)
MedContrax (Syntegra)	34,904	0	34,904	1,000	(33,904)
Molecular Mining Corporation	0	1,000,000	1,000,000	1,000	(999,000)
NDCHealth, Inc.	0	2,000,000	2,000,000	4,386,459	2,386,459
NexCura (CancerFacts)	0	4,731,812	4,731,812	2,184,721	(2,547,091)
Pointshare Corporation	0	1,859,020	1,859,020	1,000	(1,858,020)
TechRx Incorporated	0	1,115,000	1,115,000	1,784,149	669,149
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	2,605,000	(1,445,000)
Totals	\$34,904	\$26,255,833	\$26,290,737	\$21,462,429	(\$4,828,308)

Cardinal Health Partners, L.P.
Statement of Partners' Contributions Accounts
As of March 31, 2003

	Partners' Total Subscription	Contributions Account 12/31/02	Period Contribution in Cash	Period Contribution by Note	Contributions Account 03/31/03	Partners' Outstanding Subscription
<u>Limited Partners</u>						
LACERA	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0
Nassau Capital Funds	9,000,000	9,000,000	0	0	9,000,000	0
Robert Wood Johnson Foundation	7,500,000	7,500,000	0	0	7,500,000	0
State Teachers Ret. System of Ohio	6,992,127	6,992,127	0	0	6,992,127	0
Northwestern University	5,000,000	5,000,000	0	0	5,000,000	0
Fleet Growth Resources (Summit Bank)	5,000,000	5,000,000	0	0	5,000,000	0
Nat. Union Fire Ins. Co. of Pittsburgh	5,000,000	5,000,000	0	0	5,000,000	0
WIN 4 Holdings / BofA Capital Corp.	3,000,000	3,000,000	0	0	3,000,000	0
First Union National Bank Pension Plan	3,000,000	3,000,000	0	0	3,000,000	0
UNISYS	2,500,000	2,500,000	0	0	2,500,000	0
Venture Investment Associates II	2,000,000	2,000,000	0	0	2,000,000	0
S.R. One Limited	1,500,000	1,500,000	0	0	1,500,000	0
Hillside Capital Incorporated	1,000,000	1,000,000	0	0	1,000,000	0
	\$61,492,127	\$61,492,127	\$0	\$0	\$61,492,127	\$0
<u>General Partner</u>						
Cardinal Health Partners Mgmt.	621,133	621,133	0	0	621,133	0
Total Partnership	\$62,113,260	\$62,113,260	\$0	\$0	\$62,113,260	\$0

Cardinal Health Partners, L.P.
Statement of Partners' Distributive of Net Assets
For the Period Ended March 31, 2003

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 03/31/03
<u>Limited Partners</u>							
LACERA	\$2,693,790	\$761,618	\$3,174	\$35,929	\$3,494,511	(\$84,959)	\$3,409,552
Nassau Capital Funds	2,424,407	685,455	2,856	32,336	3,145,054	(76,463)	3,068,591
Robert Wood Johnson Foundation	2,020,347	571,215	2,379	26,946	2,620,887	(63,718)	2,557,169
State Teachers Ret. System. of Ohio	1,883,383	532,491	2,219	25,119	2,443,212	(59,399)	2,383,813
Northwestern University	1,346,883	380,806	1,587	17,964	1,747,240	(42,478)	1,704,762
Fleet Growth Resources (Summit Bank)	1,346,883	380,806	1,587	17,964	1,747,240	(42,478)	1,704,762
Natl. Union Fire Ins. Co. of Pittsburgh	1,346,883	380,806	1,587	17,964	1,747,240	(42,478)	1,704,762
WIN 4 Holdings LLC	808,137	228,485	952	10,778	1,048,352	(25,487)	1,022,865
First Union National Bank Pension Plan	808,137	228,485	952	10,778	1,048,352	(25,487)	1,022,865
UNISYS	673,344	190,403	793	8,982	873,622	(21,239)	852,383
Venture Investment Associates II	538,751	152,322	633	7,186	698,892	(16,991)	681,901
S.R. One Limited	404,077	114,245	476	5,389	524,187	(12,744)	511,443
Hillside Capital Incorporated	269,383	76,163	317	3,593	349,456	(8,496)	340,960
	\$16,564,505	\$4,683,505	\$19,512	\$220,928	\$21,488,245	(\$522,417)	\$20,965,828
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	167,318	47,306	203	2,232	217,059	(5,277)	211,782
Total Partnership	\$16,731,823	\$4,730,606	\$19,715	\$223,160	\$21,705,304	(\$527,694)	\$21,177,610

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Three Months Ended March 31, 2003

	Partners' Capital 01/01/03	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 03/31/03
<u>Limited Partners</u>									
LACERA	\$3,738,463	\$0	\$17	(\$22,209)	\$0	(\$22,192)	(\$306,719)	\$0	\$3,409,552
Nassau Capital Funds,	3,364,610	0	15	(19,988)	0	(19,973)	(276,046)	0	3,068,591
Robert Wood Johnson Foundation	2,803,853	0	12	(16,657)	0	(16,645)	(230,039)	0	2,557,169
State Teachers Ret. System of Ohio	2,613,793	0	11	(15,529)	0	(15,518)	(214,462)	0	2,383,813
Northwestern University	1,869,219	0	8	(11,105)	0	(11,097)	(153,360)	0	1,704,762
Fleet Growth Resources (Summit)	1,869,219	0	8	(11,105)	0	(11,097)	(153,360)	0	1,704,762
National Union Fire Ins. Co. of Pitt.	1,869,219	0	8	(11,105)	0	(11,097)	(153,360)	0	1,704,762
WIN 4 Holdings, LLC.	1,121,539	0	5	(6,663)	0	(6,658)	(92,016)	0	1,022,865
First Union Nat. Bank Pension Plan	1,121,539	0	5	(6,663)	0	(6,658)	(92,016)	0	1,022,865
UNISYS	934,611	0	4	(5,552)	0	(5,548)	(76,680)	0	852,383
Venture Investment Associates II	747,684	0	3	(4,442)	0	(4,439)	(61,344)	0	681,901
S.R. One Limited	560,780	0	2	(3,331)	0	(3,329)	(46,008)	0	511,443
Hillside Capital Incorporated	373,851	0	2	(2,221)	0	(2,219)	(30,672)	0	340,960
	\$22,988,380	\$0	\$100	(\$136,570)	\$0	(\$136,470)	(\$1,886,082)	\$0	\$20,965,828
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	22,160	0	1	(1,379)	0	(1,378)	(19,051)	0	1,731
Total Partnership	\$23,010,540	\$0	\$101	(\$137,949)	\$0	(\$137,848)	(\$1,905,133)	\$0	\$20,967,559

* - Partners Capital, by definition, does not include contributions made by the General Partner in the form of a Promissory Note.

Cardinal Health Partners, L.P.
Statement of Partners' Accounts
For the Period from July 25, 1997 to March 31, 2003

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 03/31/03
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$27,894	(\$1,211,740)	(\$1,621,733)	(\$2,805,579)	(\$956,741)	(\$2,828,128)	\$0	\$3,409,552
Nassau Capital Funds	9,000,000	25,103	(1,090,567)	(1,459,559)	(2,525,023)	(861,063)	(2,545,323)	0	3,068,591
Robert Wood Johnson Foundation	7,500,000	20,919	(908,805)	(1,216,299)	(2,104,185)	(717,555)	(2,121,091)	0	2,557,169
State Teachers Ret. System of Ohio	6,992,127	19,507	(847,265)	(1,133,936)	(1,961,694)	(668,964)	(1,977,656)	0	2,383,813
Northwestern University	5,000,000	13,946	(605,871)	(810,867)	(1,402,792)	(478,369)	(1,414,077)	0	1,704,762
Fleet Growth Resources (Summit)	5,000,000	13,946	(605,871)	(810,867)	(1,402,792)	(478,369)	(1,414,077)	0	1,704,762
National Union Fire Ins. Co. of Pitts.	5,000,000	13,938	(594,766)	(810,867)	(1,391,695)	(325,009)	(1,414,077)	(1,869,219)	0
Pine Street Holdings I LLC	0	8	(11,105)	0	(11,097)	(153,360)	0	1,869,219	1,704,762
Bank of America Capital Corporation	2,741,431	6,828	(184,638)	311,688	133,878	449,985	(582,797)	(2,742,497)	0
WIN 4 Holdings, LLC	258,569	1,540	(178,883)	(798,208)	(975,551)	(737,006)	(265,644)	2,742,497	1,022,865
First Union National Bank Pension Plan	3,000,000	8,368	(363,521)	(486,520)	(841,673)	(287,021)	(848,441)	0	1,022,865
UNISYS	2,500,000	6,973	(302,934)	(405,433)	(701,394)	(239,185)	(707,038)	0	852,383
Venture Investment Associates II	2,000,000	5,578	(242,347)	(324,347)	(561,116)	(191,348)	(565,635)	0	681,901
S.R. One Limited	1,500,000	4,184	(181,760)	(243,260)	(420,836)	(143,511)	(424,210)	0	511,443
Hillside Capital Incorporated	1,000,000	2,789	(121,176)	(162,174)	(280,561)	(95,673)	(282,806)	0	340,960
	\$61,492,127	\$171,521	(\$7,451,249)	(\$9,972,382)	(\$17,252,110)	(\$5,883,189)	(\$17,391,000)	\$0	\$20,965,828
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,731	(1,319,200)	28,897	(1,288,572)	1,054,880	(175,659)	0	211,782
Total Partnership	\$62,113,260	\$173,252	(\$8,770,449)	(\$9,943,485)	(\$18,540,682)	(\$4,828,309)	(\$17,566,659)	\$0	\$21,177,610

TO: The Limited Partners
FROM: John J. Park
DATE: April 15, 2003
SUBJECT: Portfolio Valuations for March 31, 2003

Investment securities held by Cardinal Health Partners, L.P. (the “Partnership”) have been valued in accordance with the Amended Standard Valuation Policy of the Partnership. In accordance with the Policy, restricted securities are valued at cost, until subsequent events of a significant nature indicate the need for a change. Public securities are valued at a discount to market according to the trading restrictions or lack of liquidity accorded to them. This memorandum delineates the portfolio valuation calculations proposed by the General Partner for those investments not valued at cost as of March 31, 2003.

ACCENTCARE – In June 2001, AccentCare completed a \$24.5 million financing at \$0.9215 per share valuing the Company at \$54 million post-money after adjusting for the weighted average anti-dilution of the Series A and Series B Preferred. Two new investors, Three Arch Partners and Highland Capital Partners led this financing. Our investment is valued at the Series C price of \$0.9215, resulting in an unrealized loss of \$601,902 on our cost basis of \$4,500,002 as of March 31, 2003. This valuation represents no change from the valuation as of December 31, 2002.

Value Computation:

Series A Convertible Preferred Stock		
2,620,837 shares x \$0.9215	=	\$2,415,101
Series B Convertible Preferred Stock		
1,609,331 shares x \$0.9215	=	<u>1,482,999</u>
Total Value		<u>\$3,898,100</u>

ATHENAHEALTH – On November 17, 2000, AthenaHealth completed a \$31 million financing at \$3.08 per share, valuing the Company at \$81 million post-money. A new investor, Oak Investment Partners, led this financing. Our investment is valued at the Series D price of \$3.08, resulting in an unrealized gain of \$3,600,000 on our cost basis of \$3,000,000 as of March 31, 2003. This valuation represents no change from the valuation as of December 31, 2002.

Value Computation:

Series C Convertible Preferred Stock		
2,142,857 shares x \$3.08	=	<u>\$6,600,000</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of March 31, 2003
Page 2 of 4

ESURG - In August 2001, Esurg completed a \$9 million financing at \$0.6265 per share, valuing the Company at \$36 million post-money. Two new investors, Accenture and United Parcel Service led this financing. However, the company has been unable to attain additional needed financing and has been required to make substantial operational cutbacks. Therefore, in Q1 2002 we decided to reduce the value of the Esurg investment to a minimal value of \$1,000. As of March 31, 2003, the Esurg investment is valued at \$1,000 resulting in a cumulative unrealized loss of \$3,998,999 on our cost basis of \$3,999,999. This valuation represents no change from the valuation as of December 31, 2002.

MEDCONTRAX – In September 2001, MedContrax completed a \$500,000 insider financing at \$0.25 per share, valuing the Company at \$6.5 million post-money. Subsequent bridge financings with a liquidation preference totaling \$5 million were completed. At the end of Q1 2002, discussions were terminated with a potential acquirer and management ceased operations. In June, the assets of the company were sold, but we expect only a minimal return after satisfaction of the company's creditors. Accordingly, in Q1 2002 we reduced the value of our MedContrax investment to \$1,000. In Q3 2002, it was determined that the equity holders would receive no return from their investment. Accordingly, we have reduced the investment basis by \$3,736,363, recorded a realized loss for the same amount, and reversed the previously unrealized loss for the same amount. The remaining investment continues to be valued at \$1,000, showing an unrealized loss of \$33,904 on our cost basis of \$34,904 as of March 31, 2003. This valuation represents no change from the valuation as of December 31, 2002.

Value Computation:

5% Convertible Note Payable	
\$34,904 Principal Face Value	<u>1,000</u>
Total Value	= <u>\$1,000</u>

MOLECULAR MINING CORPORATION – During the first quarter of 2003, as the result of an inability to attain additional outside financing and the lack of sufficient operational progress to support continuing operations, management and the Board of Directors decided to cease operations and sell the assets of the company. Consequently, we have reduced the value of our Series A Preferred investment to a minimal value. This valuation produces an unrealized gain of \$999,000 on our investment cost basis of \$1,000,000 as of March 31, 2003. This valuation is a decrease of \$1,022,200 from the valuation as of December 31, 2002.

Value Computation:

Series A Convertible Preferred Stock	
1,000,000 shares	= <u>\$1,000</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of March 31, 2003
Page 3 of 4

NDCHEALTH – In May 2002, NDCHealth (NDC) acquired a controlling interest in TechRx. As part of this transaction, Cardinal sold its Series B Preferred stock holdings for \$6 million in cash and 402,982 shares of NDC common (NYSE:NDC). These shares are unregistered and are therefore subject to Rule 144 trading restrictions. Accordingly, the NDC shares are valued at a 30% discount from the closing price per share of \$16.77 for March 31, 2003. This results in a carrying value of \$4,730,606 with a corresponding unrealized gain of \$2,730,606 on a cost basis of \$2,000,000. This valuation represents a decrease of \$882,933 from the valuation for the NDC common as of December 31, 2002.

Value Computation:

$$\begin{array}{l} \text{NDCHealth Common Stock} \\ 402,982 \text{ shares} \times \$16.77 \times 70\% \qquad \qquad = \quad \underline{\underline{\$4,730,606}} \end{array}$$

NEXCURA – In June 2002, NexCura completed a \$3.9 million Series C financing led by a new investor. The price per share for the round was \$0.191 placing a pre-money value of \$11 million on the financing. Cardinal invested \$231,812 in the Series C round, including the conversion of \$181,812 in promissory notes with accrued interest. We propose to value the NexCura investment at the price of the Series C round. After accounting for the anti-dilution effect of the Series C round on our previous Series B investment, the resulting value for our NexCura investment is \$2,184,721. At this value, the investment shows an accumulated unrealized loss of \$2,547,091 on our cost basis of \$4,731,812. This valuation represents no change from the valuation for NexCura as of December 31, 2002.

Value Computation:

$$\begin{array}{l} \text{Series B Convertible Preferred Stock} \\ 10,224,654 \text{ shares} \times \$0.191 \qquad \qquad \qquad = \quad \$1,952,909 \\ \text{Series C Convertible Preferred Stock} \\ 1,213,676 \text{ shares} \times \$0.191 \qquad \qquad \qquad = \quad \underline{\underline{231,812}} \\ \text{Total Value} \qquad \qquad \qquad \qquad \qquad \qquad \underline{\underline{\$2,184,721}} \end{array}$$

POINTSHARE – As reported previously, PointShare has sold both operating units of the company, netting a total of ~ \$5 million for distribution to the investors. No proceeds were accorded to the Series A or Series B investors and those investments have been written off. During 2002, Cardinal received a total of \$140,981 from the distributions of proceeds of the sales of PointShare's assets. Accordingly, we have reduced the cost basis in our Series C holding from \$2,000,001 to \$1,859,020 and reduced the carrying value for the investment to \$1,000. With the remaining investment valued at \$1,000, we show an unrealized loss of \$1,858,020 on our cost basis of \$1,859,020 as of March 31, 2003. This valuation represents no change from our carrying value as of December 31, 2002.

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of March 31, 2003
Page 4 of 4

TECHRX – In May 2002, NDCHealth (NDC) acquired a controlling interest in TechRx. As part of this transaction, NDC has agreed to purchase the remainder of the TechRx equity at a value of \$4-\$8 per TechRx share, dependent upon the achievement of specific performance milestones by May 31, 2003. Cardinal currently holds 413,334 shares of TechRx common and warrants to purchase 100,000 shares of TechRx common. The TechRx common shares are valued at \$3.00 per share, representing a 25% discount to the minimum value of \$4.00 to be received in May 2003. This results in a carrying value of \$1,440,002 with a corresponding cumulative unrealized gain of \$325,002 on a cost basis of \$1,115,000. This valuation represents no change from the valuation for TechRx as of December 31, 2002.

Value Computation:

TechRx Common Stock		
413,334 shares x \$3.00	=	\$1,240,002
TechRx Common Stock Warrants		
100,000 shares x \$2.00 (\$3.00 - \$1.00)	=	<u>200,000</u>
Total Value		<u>\$1,440,002</u>

VISICU (formerly IC-USA) – On June 8, 2000, VISICU completed a \$12 million financing at \$1.37 per share valuing the Company at \$28 million post-money. A new investor, Pacific Venture Group, led this financing. In June 2002, the current investors led a \$6.8 million financing priced at the same level as the Series B round and valuing the company at \$38 million post-money. Cardinal invested \$50,000 in this financing. As the company has not met operational expectations, in Q3 of 2001 we elected to value our Series A and Series B investment at one-half of the Series B price until a substantial improvement in operational results or an independent financing event. We propose to maintain this valuation for both the Series A and Series B investments and to carry the Series C investment at cost. This results in a carrying value of \$2,605,000, producing an unrealized loss of \$1,445,000 on our cost basis of \$4,050,000 as of March 31, 2003. This valuation represents no change from our carrying value as of December 31, 2002.

Value Computation:

Series A Convertible Preferred Stock		
3,000,000 shares x \$1.37 x 50%	=	\$2,055,000
Series B Convertible Preferred Stock		
729,927 shares x \$1.37 x 50%		500,000
Series C Convertible Preferred Stock		
36,496 shares x \$1.37	=	<u>50,000</u>
Total Value		<u>\$2,605,000</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuation Summary
For the Quarter Ended March 31, 2003

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 03/31/03</u>	<u>Fair Value 12/31/02</u>	<u>Change from Prior Quarter</u>	<u>Reason for Change</u>
AccentCare, Inc.	\$4,500,002	\$3,898,100	\$3,898,100	\$0	
AthenaHealth, Inc.	3,000,000	6,600,000	6,600,000	0	
Esurg Corporation	3,999,999	1,000	1,000	0	
MedContrax, Inc. (formerly Syntegra)	34,904	1,000	1,000	0	
Molecular Mining	1,000,000	1,000	1,023,200	(1,022,200)	Mark Down. (note 1)
NDCHealth, Inc.	2,000,000	4,730,606	5,613,539	(882,933)	Market Price Decrease (note 2)
NexCura (formerly CancerFacts.com)	4,731,812	2,184,721	2,184,721	0	
Pointshare Corporation	1,859,020	1,000	1,000	0	
TechRx Incorporated	1,115,000	1,440,002	1,440,002	0	
VISICU, Inc. (formerly ICUSA)	4,050,000	2,605,000	2,605,000	0	
Total Portfolio	\$26,290,737	\$21,462,429	\$23,367,562	\$1,905,133	

(1) During the quarter, management and the Board of Directors agreed to cease operations and sell the assets of the company. Consequently, we have reduced the carrying value for the Series A equity of Molecular Mining to a minimal value.

(2) The value of the 402,982 shares of NDCHealth common stock (NYSE:NDC) decreased as a result of the change in the share price from \$19.90 as of December 31, 2002 to \$16.77 as of March 31, 2003. The NDCHealth holdings continue to be held at a 30% discount to market.

ACCENTCARE, INC.
Dana Point, CA
{www.accentcare.com}

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 1st Quarter, 2003

With the assimilation of the Alliance for Health acquisition complete and new CEO William “Biff” Comte now on board for a full quarter, AccentCare is looking to deliver better predictability of results and achievement of cash flow breakeven in 2003. In order to better streamline reporting between the two new segments (AccentCare East and AccentCare West), during 2003 the company will be switching from a fiscal year basis (FYE 3/31) to a calendar year basis for financial reporting purposes. For calendar 2003, the company has budgeted revenues of \$95 million, with achievement of cash flow breakeven in the fourth quarter.

The financial outlook for AccentCare West (CA and AZ operations) has been significantly impacted by the increasing costs related to workers compensation insurance. Premiums for insurance in CA alone will increase \$1.8 million in 2003. The increase in cost for the current year is projected to erase almost all of the pre-tax income for the segment. Management has proposed a plan that essentially amounts to self-insurance under CA law and could save up to \$1 million on an annual basis. To achieve this, the company will require some additional financing to secure a \$3 million letter-of-credit as security against payment of claims. To support this change and to provide a better working capital cushion going forward, in late-March/early-April, management has put forward a plan to raise \$5 million in the form of a convertible promissory notes from the current investor group. Also, upon completion of this additional capital infusion, the company has received contingent approval for a \$15 million working capital line from Comerica Bank.

Financial performance for the quarter was 10% below plan in terms of revenue with net income and operating cash flow also coming in below plan. Revenues for the period were \$24.3 million vs. plan revenues of \$27.0 million. The revenue shortfall resulted primarily from underperformance at existing AccentCare centers in CA and Arizona and weather related days lost in New York. Margins for the west coast segment of the company continue to lag plan due to the escalating workers compensation costs mentioned above, combined with lower base revenue from Los Angeles, Oakland and Arizona. Overall gross margin was close to plan. Operating expenses exceeded plan by 8% due to a number of one-time adjustments related to executive recruiting and relocation expenses and unbudgeted costs related to employee severance.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>FY01 Actual</i>	<i>FY02 Actual</i>	<i>FY03 Actual*</i>	<i>2003 Budget**</i>
Revenues	18,530	22,539	54,897	94,338
Cost of Services	12,117	15,103	37,501	67,384
Operating Expenses	14,894	14,635	20,298	27,276
EBIT	-8,481	-7,199	-2,902	-322
Interest and Taxes	-264	465	-398	-684
Net Income	-8,745	-6,734	-3,300	-1,006

* - Subject to Audit

** - 2003 Budget reflects switch to calendar year basis.

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	24,325	27,060	-2,735
Cost of Services	16,849	19,498	+2,649
Operating Expenses	8,536	7,841	-695
EBIT	-1,060	-279	-781
Interest and Taxes	-238	-127	-111
Net Income	-1,298	-406	-892

Fiscal Year-to-Date: Twelve Months Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	54,897	59,199	-4,302
Cost of Services	37,501	41,508	+4,007
Operating Expenses	20,298	20,161	-137
EBIT	-2,902	-2,470	-432
Interest and Taxes	-398	-353	-45
Net Income	-3,300	-2,823	-477

ACCENTCARE, INC. (cont.)

Summary Balance Sheet as of March 31, 2003: (\$000)

Cash	\$ 2,685	Accounts Payable	\$ 798
Accounts Receivable	8,901	Accrued Expenses	4,729
Other Current Assets	<u>1,333</u>	Other Current Liabilities	<u>3,466</u>
Total Current Assets	12,919	Total Current Liabilities	8,993
Net PP&E	1,624	Long Term Debt	5,963
Intangibles (Net)	20,961	Shareholders Equity	43,573
Other Assets	<u>429</u>	Retained Earnings	<u>-22,596</u>
Total Assets	<u>\$35,933</u>	Total Liabilities & Equity	<u>\$35,933</u>

Comments:

The company is behind plan in terms of cash flow due to lower than anticipated use of its credit facilities. The current investors have agreed to provide the company with an additional capital infusion of \$5 million in order to bond itself for self-insurance for workers compensation in CA and to provide more of a working capital cushion.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	2,500,000 shares
Common Stock Equivalents	2,620,837 shares
Assigned Fair Value (2,620,837 CSE's x \$0.9215)	\$2,415,101
Investment Cost	\$2,500,000
Cost per Common Stock Equivalent	\$0.954
Series B Convertible Preferred Stock	1,176,472 shares
Common Stock Equivalents	1,609,331 shares
Assigned Fair Value (1,609,331 CSE's x \$0.9215)	\$1,482,999
Investment Cost	\$2,000,002
Cost per Common Stock Equivalent	\$1.243
% Ownership (Full Dilution)	7.14%
Company Valuation at Cardinal Cost	\$63.0 million
Company Valuation at Assigned Fair Value	\$54.6 million

Outlook:

We are cautiously optimistic about the prospects for our investment in AccentCare.

ATHENAHEALTH, INC.
Waltham, MA
{www.athenahealth.com}

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 1st Quarter, 2003

The first quarter of 2003 was one of record sales and across the board solid financial performance for Athena. Sales results were the best in company history, with more than \$5 million in new contracts signed during the period. Revenues were ahead of plan despite a relatively low volume of go lives during the quarter. Enhanced controls and processes implemented during the period drove a quarterly reduction of 18% in Days Sales Outstanding. These results improve the financial outlook considerably for the year, with lower losses now projected ahead of forecast Q4 breakeven.

Revenue for the quarter exceeded \$5 million, increasing 18% over the prior quarter and slightly exceeding plan. The higher revenues coupled with moderate cost growth drove a 41% improvement in gross margin over the prior quarter and exceeding budgeted margin for the period by 12.5%. Net income and EBITDA both show a 15% positive variance to plan. Monthly cash burn averaged \$600K for the period, slightly worse than plan due to higher than forecast cash outlays in January. The company is \$200K behind on its cash plan for the year, but with the positive contracting variance of \$1.4 million in Q1, gross margins are expected to improve by \$60K per month, thereby lowering net loss per month and decreasing the cash burn.

Looking ahead, Q2 sales also look strong and are expected to achieve or exceed budget of \$4.6 million. Management is also looking to extend its current capital equipment facility of \$2 million in the coming quarter, along with exploring other working capital facilities to support expansion. Athena's primary milestone for the year will be the attainment of breakeven during Q4, at which time we expect the company will have an annual revenue run rate exceeding \$30 million and be an attractive candidate for a liquidity event with its robust recurring revenue model and strong margins.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget**</i>
Revenues	3,459	11,985	25,706
Direct Expenses	6,480	10,137	16,897
SG&A	9,278	8,860	9,813
EBITDA	-12,299	-7,012	-1,004
Depreciation	1,636	2,493	3,174
Interest and Taxes	855	-55	-432
Net Income	-13,080	-9,560	-4,610

* Subject to Audit

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	5,043	5,040	+3
Direct Expenses	3,400	3,580	+180
SG&A	2,248	2,275	+27
EBITDA	-605	-815	+210
Depreciation	692	719	+27
Interest and Taxes	-79	-87	+8
Net Income	-1,376	-1,621	+245

Fiscal Year-to-Date: Three Months Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	5,043	5,040	+3
Direct Expenses	3,400	3,580	+180
SG&A	2,248	2,275	+27
EBITDA	-605	-815	+210
Depreciation	692	719	+27
Interest and Taxes	-79	-87	+8
Net Income	-1,376	-1,621	+245

** Budget revised – February 2003

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of March 31, 2003: (\$000)

Cash	\$ 7,359	Accounts Payable	\$ 845
Accounts Receivable	2,586	Accrued Expenses	1,136
Other Current Assets	<u>568</u>	Other Current Liabilities	<u>3,689</u>
Total Current Assets	10,513	Total Current Liabilities	5,670
Net PP&E	2,573	Long Term Debt - Lease line	2,985
Intangibles (Net)	1,810	Shareholders Equity	43,353
Other Assets	<u>149</u>	Retained Earnings	<u>-36,963</u>
Total Assets	<u>\$15,045</u>	Total Liabilities & Equity	<u>\$15,045</u>

Comments:

Cash burn for the year is slightly behind plan, but the solid financial and sales results in Q1 2003 should mitigate this variance over the next quarter. Management is currently projecting achievement of cash flow breakeven in Q4 2003 with over \$5 million in cash.

Cardinal Health Partners Holdings:

Series C Convertible Preferred Stock	2,142,857 shares
Assigned Fair Value (\$3.08 x 2,142,857)	\$6,600,000
Investment Cost	\$3,000,000
Cost per Share	\$1.40

% Ownership (Full Dilution)	8.1%
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Company Valuation at Cardinal Cost	\$36.9 million
Company Valuation at Assigned Fair Value	\$81.3 million

Outlook:

We remain enthusiastic about the prospects for Athena, which continues to build backlog, enjoys a powerful recurring revenue model with high exit barriers, and retains a solid lead in the business of automating the business functions of physician offices.

ESURG CORPORATION
Seattle, WA
{www.esurg.com}

Online Supplies for Outpatient Surgery Centers

Period Summary: 1st Quarter, 2003

Financial Performance for Esurg during the quarter continued to exceed plan, but not at the same level as had occurred during the previous three quarters since operations had been pared down to sustenance levels in March 2002. Sales growth has slowed considerably, with management working diligently to enhance revenue growth prospects through the addition of a new fulfillment partner and obtaining better terms with current partners. Management continues to operate the company in a very efficient manner.

Revenues of \$2.4 million for the quarter were flat as compared to Q4 2002. Revenues, gross margins and net income all exceeded plan for the quarter. The cash balance at the end of the quarter was \$5.2 million and also ahead of plan. With cash burn running at ~ \$200K per month the company can operate at this level through the end of 2004. However, we believe, and management now concurs, that in order to attain breakeven the company requires annual revenues in excess of \$40 million. We don't believe the company can achieve this revenue levels on existing cash.

Conversations for a potential acquisition of the company by a traditional medical supply distribution company are at a standstill. Management is also exploring merger opportunities that would lessen the need for additional capital and shorten the time to breakeven. However, at this time, without the prospect of an acquisition by a traditional distribution company, we hold little hope for a positive exit option for Esurg.

ESURG CORPORATION (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget**</i>
Revenues	5,339	9,803	12,309
Cost of Sales	5,278	8,839	10,966
Operating Expenses	12,148	8,559	5,589
EBIT	-12,087	-7,595	-4,246
Interest and Taxes	304	198	101
Net Income	-11,783	-7,397	-4,145

* Subject to Audit

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	2,360	2,345	+15
Cost of Sales	2,093	2,090	-3
Operating Expenses	1,402	1,441	+39
EBIT	-1,135	-1,186	+51
Interest and Taxes	21	35	-14
Net Income	-1,114	-1,151	+37

Fiscal Year-to-Date: Three Months ended March 31, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	2,360	2,345	+15
Cost of Sales	2,093	2,090	-3
Operating Expenses	1,402	1,441	+39
EBIT	-1,135	-1,186	+51
Interest and Taxes	21	35	-14
Net Income	-1,114	-1,151	+37

** Budget revised – February 2003

ESURG CORPORATION (cont.)

Summary Balance Sheet as of March 31, 2003: (\$000)

Cash	\$ 5,171	Accounts Payable	\$ 637
Accounts Receivable	879	Accrued Expenses	207
Other Current Assets	<u>444</u>	Other Current Liabilities	<u>456</u>
Total Current Assets	6,494	Total Current Liabilities	1,300
Net PP&E	331	Long Term Debt	0
Intangibles (Net)	418	Shareholders Equity	40,905
Other Assets	<u>320</u>	Retained Earnings	<u>-34,642</u>
Total Assets	<u>\$ 7,563</u>	Total Liabilities & Equity	<u>\$ 7,563</u>

Comments:

With the reduced cash burn plan firmly in place; average monthly burn for the quarter was approximately \$150K per month. Under the current plan, the company can keep operating at this level for about two years, while management and the investors try to map out a strategy to maximize the return on investment.

Cardinal Health Partners Holdings:

Series C Convertible Preferred Stock	2,597,401 shares
Assigned Fair Value	\$1,000
Investment Cost	\$3,999,999
Cost per Share	\$1.54
% Ownership (Full Dilution)	4.0%
Company Valuation at Cardinal Cost	\$100.0 million
Company Valuation at Assigned Fair Value	Minimal

Outlook:

Expectations are low for a return from the Esurg investment.

MEDCONTRAX, INC.
(formerly Syntegra Healthcare Management Systems, Inc.)
Rockville, MD
{www.medcontrax.com}

Wholesale Price Clearing House for Pharmaceuticals Market

Period Summary: 1st Quarter, 2003

There is no new activity to report for the quarter relative to our investment in MedContrax. In June, the Bankruptcy Court completed an auction for the combined assets of MedContrax and Med-ecorp. The leading bid was for \$1.5 million in cash received from NeoForma, Inc. The sale closed into escrow in early July.

Our counsel conservatively estimates that distributable proceeds from the sale will be approximately \$1.2 million. Claims filed by all of the company's creditors total \$2.5 million, including \$606,600 of investor promissory notes. Cardinal's portion of the promissory notes is \$34,904. Our counsel believes that many of the creditor claims are without merit or will be reduced substantially on adjudication. His current estimate is that the investors can expect to receive 50-75% back on the value of their promissory notes. We expect this process to be completed sometime this year.

Cardinal Health Partners Holdings:

5% Convertible Promissory Note	\$34,904
Assigned Fair Value	\$1,000
% Ownership (Full Dilution)	3.6%

MOLECULAR MINING CORPORATION
Kingston, Ontario
{www.molecularmining.com}

Software Tools for Genomics Research

Period Summary: 1st Quarter, 2003

Financial results for the first quarter continued to be well behind expectations, with little or no sign of recovery in the near future. Distributor and OEM relationships have failed to develop and revenue generating collaborations have also lagged plan due to longer than anticipated sales cycles. In February, management proposed a revised 2003 budget showing the company surviving on current capital resources for less than one year, even with further operational cutbacks. In March, after all potential financing/merger initiatives were proven to be unsuccessful, the Board determined that the company did not have sufficient working capital to support continued operations under management revised plan and voted to conduct an orderly liquidation of the company's assets.

It is expected that the liquidation process will be concluded over the next 3-6 months. Current estimates are that after settling all of the company's obligations, approximately \$500K could be available for distribution to the equity holders of the company. This would mean that the Series A investors would most likely receive nothing from the liquidation. Under these circumstances, we have reduced the carrying value for our investment to a minimal value. This has resulted in the recording of an unrealized loss of \$1,022,200 for the period.

MOLECULAR MINING CORPORATION (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget</i>
Revenues	131	541	1,238
Cost of Sales	20	91	147
Operating Expenses	3,261	3,813	2,625
EBIT	-3,150	-3,363	-1,534
Interest and Taxes	211	51	7
Net Income	-2,939	-3,312	-1,527

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	68	169	-101
Cost of Sales	1	22	+21
Operating Expenses	854	683	-171
EBIT	-787	-536	-251
Interest and Taxes	6	3	+3
Net Income	-781	-533	-248

Fiscal Year-to-Date: Three Months Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	68	169	-101
Cost of Sales	1	22	+21
Operating Expenses	854	683	-171
EBIT	-787	-536	-251
Interest and Taxes	6	3	+3
Net Income	-781	-533	-248

MOLECULAR MINING CORPORATION (cont.)

Summary Balance Sheet as of March 31, 2003: (\$000)

Cash	\$ 1,039	Accounts Payable	\$ 18
Accounts Receivable	42	Accrued Expenses	131
Prepaid Expenses	<u>30</u>	Notes Payable	<u>0</u>
Total Current Assets	1,111	Total Current Liabilities	149
Net PP&E	224	Long Term Debt	0
Intangibles (net)	145	Shareholders Equity	10,458
Other Assets	<u>0</u>	Retained Earnings	<u>-9,127</u>
Total Assets	<u>\$ 1,480</u>	Total Liabilities & Equity	<u>\$ 1,480</u>

Comments:

During the quarter, the Board of Directors elected to cease operations and liquidate the assets of the company. This process should take 3-6 months to complete. The current estimate is that approximately \$500K will be available for distribution to the investors upon completion of the liquidation.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	1,000,000 shares
Assigned Fair Value	\$1,000
Investment Cost	\$1,000,000
Cost per Share	\$1.00
Series B Preferred Stock Warrants	34,206 shares
Exercise Price Per Share	\$2.0464
% Ownership (Full Dilution)	11.2%
Company Valuation at Cardinal Cost	\$8.8 million
Company Valuation at Assigned Fair Value	Minimal

Outlook:

The return from our investment in Molecular Mining will be minimal.

NEXCURA, INC.
(formerly CancerFacts.com)
Seattle, WA
{www.nexcura.com}

eCare Tools for Chronic Disease Management

Period Summary: 1st Quarter, 2003

During the quarter, revenues for Nexcura were unfavorably impacted by a general decrease in marketing budgets across the pharmaceutical manufacturing industry. Projects slated for implementation in Q1 were either delayed or canceled. This resulted in an unfavorable variance of \$446K in revenues for the quarter. As a consequence of this general market malaise, management will be revising its financial forecast for 2003 during April, reducing both revenues and expenses so as to be cash flow neutral as compared to the current forecast.

Notwithstanding the revenue shortfall for the period, overall financial performance was ahead of plan. This was primarily due to lower than forecast headcount and good control over discretionary spending by management. The company remains on plan in terms of its cash flow budget. In February, the company completed the second closing of \$1.8 million from the June 2002 financing led by the venture arm of Eli Lilly. The company also successfully completed an equipment financing facility with Silicon Valley Bank in March. Sales activity improved significantly at the end of the quarter, with the pipeline growing by \$1.4 million in March alone, due to the efforts of the recent additions to the company's sales team.

During the quarter, the company initiated an employee incentive compensation plan that provides for cash incentives based upon clearly defined individual performance goals and achievement of overall revenue and cash flow goals for the company. Longer-term incentives in the form of stock options will also be employed. We believe this innovative plan closely aligns the interests of management and the employees with the goals of creating a self-sustaining and growing company over the coming year.

We remain guardedly optimistic regarding Nexcura's prospects for the year. The investors are working closely with the new CEO to ensure that the company remains on track to attaining cash flow breakeven by the end of the year. Our primary performance milestones for the company in 2003 are revenues of \$5 million and the attainment of sustainable cash flow breakeven in Q4.

NEXCURA, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget</i>
Revenues	1,521	3,018	6,891
Cost of Sales	0	287	305
Operating Expenses	3,861	4,324	6,693
EBIT	-2,340	-1,593	-107
Interest and Taxes	-1,355	-83	-76
Net Income	-3,695	-1,676	-183

* Subject to Audit

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	601	1,048	-447
Cost of Sales	36	77	+41
Operating Expenses	1,169	1,650	+481
EBIT	-604	-679	+75
Interest and Taxes	+12	-12	+24
Net Income	-592	-691	+99

Fiscal Year-to-Date: Three Months ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	601	1,048	-447
Cost of Sales	36	77	+41
Operating Expenses	1,169	1,650	+481
EBIT	-604	-679	+75
Interest and Taxes	+12	-12	+24
Net Income	-592	-691	+99

NEXCURA, INC. (cont.)

Summary Balance Sheet as of March 31, 2003: (\$000)

Cash	\$ 1,750	Accounts Payable	\$ 210
Accounts Receivable	247	Accrued Expenses	228
Other Current Assets	<u>57</u>	Deferred Revenue	<u>580</u>
Total Current Assets	2,054	Total Current Liabilities	1,018
Net PP&E	190	Long Term Debt	96
Intangibles (Net)	0	Shareholders Equity	17,283
Other Assets	<u>0</u>	Retained Earnings	<u>-16,153</u>
Total Assets	<u>\$ 2,244</u>	Total Liabilities & Equity	<u>\$ 2,244</u>

Comments:

The second closing of the Series C financing was completed during the quarter, with the company receiving \$1.8 million. The company remains on plan in terms of cash flow and is on track to attaining cash flow breakeven by Q4 2003.

Cardinal Health Partners Holdings:

Series B Convertible Preferred Stock	5,184,331 shares
Common Stock Equivalents	10,224,654 shares
Assigned Fair Value (10,224,654 CSE's x \$0.191)	\$1,952,909
Investment Cost	\$4,500,000
Cost per Share	\$0.868
Series C Convertible Preferred Stock	1,213,676 shares
Assigned Fair Value (Investment Cost)	\$231,812
Investment Cost	\$231,812
Cost per Share	\$0.191
Common and Preferred Stock Warrants	288,912
Average Exercise Price Per Share	\$0.074
% Ownership (Full Dilution)	17.0%
Company Valuation at Cardinal Cost	\$27.8 million
Company Valuation at Assigned Fair Value	\$12.8 million

Outlook:

We are guardedly optimistic about the prospects for NexCura.

POINTSHARE CORPORATION
Bellevue, WA
{www.pointshare.com}

Infrastructure Application Provider for Physician Practices

Period Summary: 1st Quarter, 2003

There was no activity related to PointShare during the period. Currently, there remains \$290K in escrow from the sale of PointShare's assets, which would be distributed after settlement of all remaining corporate liabilities and creditor claims. Any distribution would be based on the liquidation preference of the Series C and Series D preferred stockholders. The total preference amount is \$46.7 million, with Cardinal holding \$2 million or 4.2985%. A final distribution of the remaining escrow is not expected until sometime in the latter half of 2003.

Cardinal Health Partners Holdings:

Series C Convertible Preferred Stock	727,273 shares
Percentage of Total Liquidation Preference	4.2985%
Assigned Fair Value	\$1,000

TECHRX INCORPORATED / NDCHEALTH

Pittsburgh, PA

{www.tech-rx.com} {www.ndchealth.com}

Leading Software Systems for High Volume Prescription Fulfillment

Period Summary: 1st Quarter, 2003

Results for the third quarter of Fiscal 2003 (FYE 5/31) for NDCHealth (NDC) were below analyst expectations, primarily as a result of one time charges related the company's sale of its investment in MedUnite. The Company reported a net loss for the third quarter of (\$3.7) million and diluted loss per share of (\$0.11). Excluding charges for early extinguishment of debt, loss on the Company's investment in MedUnite, Inc., and other charges related to MedUnite incurred in the third quarter, net income was \$11.5 million and diluted earnings per share was \$0.33. These results compare to net income of \$11.2 million and diluted earnings per share of \$0.31 in the third quarter of fiscal 2002. EBITDA for the third quarter increased 33% to \$34.6 million from \$26.0 million for the comparable prior year period. Revenue increased 22% to \$109.0 million from \$89.3 million over the prior year.

The Company incurred non-cash charges of \$14.9 million in the third quarter for loss on its investments, which included a write down of the net carrying value of MedUnite of \$11.6 million and provisions for other liabilities totaling \$3.3 million. Restructuring, impairment and other charges of \$2.3 million from the write down of receivables related to MedUnite were also recorded in the third quarter. These charges totaled approximately \$17.2 million on a pre-tax basis and \$14.2 million after-tax, or approximately (\$0.41) per share. Also in the third quarter, NDCHealth recorded pre-tax charges for early extinguishment of debt of \$1.4 million, or \$0.9 million after-tax, or approximately (\$0.03) per share. At February 28, 2003, the Company's cash balance was \$112.1 million and for the nine-month period net cash provided by operating activities was \$70.3 million.

Based on the current economic environment, third quarter results, and the timing and expense associated with new product introductions, management estimate that fiscal year 2003 revenues will grow 22% to 23% over the previous year and will be in the range of approximately \$430-\$435 million. Earnings per share are expected to be in the range of \$1.34 to \$1.39, excluding the one-time charges totaling (\$0.44) in the third quarter. Net cash provided by operating activities is expected to be in the range of \$85-\$90 million.

The announcement of the charges related to MedUnite reduced the company's market capitalization 33% in one day. The stock price has steadily recovered, and ended the quarter down 15%. In May of 2003, NDCHealth will purchase the remainder of the TechRx common shares on a formula based on the achievement of specific operating milestones and financial objectives. Recent guidance from management on the buyout points at a share price of between \$5.00 and \$6.00, and that the buyout will be for cash. This would result in a cash payout to Cardinal of between \$2.5 and \$3.0 million.

TECHRX INCORPORATED / NDCHEALTH (cont.)

FINANCIAL RESULTS – NDCHealth: (\$000)

Overview: (FYE 5/31)

	<i>FY00 Actual</i>	<i>FY01 Actual</i>	<i>FY02 Actual</i>
Revenues	345,673	337,052	353,381
Cost of Revenue	181,001	168,691	174,944
Operating Expenses	120,455	79,796	76,961
Deprecation & Amortization	31,834	34,745	24,374
EBIT	12,383	53,820	77,102
Interest, Taxes and Other	52,548	21,280	61,992
Net Income	-40,165	32,540	15,110
Basic Earnings Per Share	-\$1.21	\$0.99	\$0.44

Income Statement: Quarter Ended February 28, 2003

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>03/01/02</i>	<i>02/28/03</i>	<i>03/01/02</i>	<i>02/28/03</i>
Revenues	89,268	109,007	258,877	314,375
Cost of Revenue	44,410	53,130	127,356	156,881
Operating Expenses	19,344	22,341	57,592	64,555
Depreciation & Amortization	5,948	10,125	18,426	25,235
EBIT	19,566	23,411	55,503	67,704
Interest, Taxes and Other	23,266	12,166	24,506	47,562
Net Income	-3,700	11,245	30,997	20,142
Basic Earnings Per Share	-\$0.11	\$0.31	\$0.91	\$0.58

Summary Balance Sheet as of February 28, 2003:

Cash	\$112,138	Accounts Payable	\$ 79,660
Accounts Receivable	72,456	Current Obligations	11,353
Other Current Assets	<u>36,762</u>	Deferred Income	<u>20,739</u>
Total Current Assets	221,356	Total Current Liabilities	111,752
Net PP&E	116,690	Long Term Obligations	322,903
		Other Liabilities	31,164
Intangible Assets (Net)	380,813	Shareholders Equity	234,807
Other Assets	<u>51,933</u>	Retained Earnings	<u>70,166</u>
Total Assets	<u>\$770,792</u>	Total Liabilities & Equity	<u>\$770,792</u>

TECHRX INCORPORATED / NDCHEALTH (cont.)

NDCHealth Historical Common Stock Performance:

NDCHealth common stock is traded on the New York Stock Exchange under the symbol “NDC”. The high and low stock prices for each quarter of the past fiscal year are listed below. The closing price on March 31, 2003 for NDCHealth common stock was \$16.77.

	High	Low
Quarter ended 02/28/03	\$23.01	\$14.40
Quarter ended 11/30/02	\$20.42	\$10.90
Quarter ended 08/31/02	\$32.28	\$16.80
Quarter ended 05/31/02	\$37.24	\$27.74
Quarter ended 02/28/02	\$34.90	\$28.20
Quarter ended 11/30/01	\$38.98	\$30.43

Cardinal Health Partners Holdings:

NDCHealth Common Stock (subject to Rule 144 Restrictions)	402,982 shares
Assigned Fair Value (402,982 x \$16.77 x 70%)	\$4,730,606
Investment Cost	\$2,000,000
Cost per Share	\$4.963
TechRx Common Stock	413,334 Shares
Assigned Fair Value (413,334 x \$3.00)	\$1,240,002
Investment Cost	\$1,115,000
Cost per Share	\$2.76
TechRx Common Stock Warrants	100,000 shares
Assigned Fair Value ([100,000 x \$3.00] – [100,000 x \$1.00])	\$200,000
Exercise Price Per Share	\$1.00
% Ownership of NDCHealth Common (Full Dilution)	1.431%
Company Valuation at Cardinal Cost	\$217 million
Company Valuation at Market Value (\$16.77 per share)	\$757 million

VISICU, INC.
(formerly IC-USA, Inc.)
Baltimore, MD
{www.visicu.com}

Remote Monitoring Services for Intensive Care Hospital Units

Period Summary: 1st Quarter, 2003

As the company begins 2003 there are four hospital system clients in active use or last stage implementation of the system, Sentara, New York Presbyterian, Sutter and Advocate. The primary focus areas for management in the coming year are to improve implementation cycle times and maintain the current sales success ratio. Financial results for the quarter show revenues and gross margin behind plan, as a result of the higher level of hours required for initial implementations than forecast. Operating expenses were better than plan primarily due to decreased professional fees, recruiting cost and travel expenses. The resulting net loss for the period was within 2% of plan.

The 2003 budget shows topline revenues of \$12 million, with a \$7.5 million backlog at year-end. The plan assumes that each of the current clients will implement additional sites during the year and that the two DOD projects at Walter Reed Army Hospital and Tripler will be implemented. Revenue is derived primarily from license fees, fees related to system implementations and support fees for help desk and software maintenance and upgrades. Revenues are recognized over the life of the contract for license fees and support functions and as incurred for implementation and training. However, cash flow under these contract arrangements is very favorable to the company, as significant upfront payments are received for both licensing and implementation. In addition, the company has recently completed a \$2 million equipment leasing facility with Comerica Bank. Accordingly, management firmly believes that the company will require no additional financing and the company will be profitable by yearend.

We remain very excited about the prospects for VISICU as the company moves into its first year of substantial operations. Frank Sample, our CEO, has moved the company full speed ahead on the sales and marketing front successfully adding additional sales talent and support, while exercising sound control over cash burn. The team needs to continue to build on this great sales momentum with equally great success delivering implementation and support. We are very optimistic about the company's prospects for building itself into a significant next generation healthcare company.

VISICU, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget</i>
Revenues	1,429	2,380	11,973
Cost of Sales	1,824	1,638	4,862
Operating Expenses	7,049	7,718	9,877
EBIT	-7,444	-6,976	-2,766
Interest and Taxes	232	36	0
Net Income	-7,212	-6,940	-2,766

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,041	1,173	-132
Cost of Sales	643	557	-86
Operating Expenses	2,148	2,336	+188
EBIT	-1,750	-1,720	-30
Interest and Taxes	3	3	0
Net Income	-1,747	-1,717	-30

Fiscal Year-to-Date: Three Months Ended March 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,041	1,173	-132
Cost of Sales	643	557	-86
Operating Expenses	2,148	2,336	+188
EBIT	-1,750	-1,720	-30
Interest and Taxes	3	3	0
Net Income	-1,747	-1,717	-30

VISICU, INC. (cont.)**Summary Balance Sheet as of March 31, 2003: (\$000)**

Cash	\$ 2,214	Accounts Payable	\$ 424
Accounts Receivable	1,204	Accrued Expenses	612
Prepaid Expenses	<u>169</u>	Deferred Revenue	<u>3,095</u>
Total Current Assets	3,587	Total Current Liabilities	4,131
Net PP&E	666	Note Payable & LTD	0
Deferred Costs	0	Shareholders Equity	29,787
Other Assets	<u>0</u>	Retained Earnings	<u>-29,665</u>
Total Assets	<u>\$ 4,253</u>	Total Liabilities & Equity	<u>\$ 4,253</u>

Comments:

The cash balance at the end of the quarter is 15% ahead of forecast. Due to the nature of the company's payment cycles, management is confident of maintaining at least a \$2 million cash balance for the remainder of the year. This does not include any amounts that could be drawn against the proposed \$2 million credit line.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	3,000,000 shares
Assigned Fair Value (3,000,000 x \$1.37 x 50%)	\$2,055,000
Investment Cost	\$3,000,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	729,927 shares
Assigned Fair Value (729,927 x \$1.37 x 50%)	\$500,000
Investment Cost	\$1,000,000
Cost per Share	\$1.37
Series C Convertible Preferred Stock	36,496 shares
Assigned Fair Value (Investment Cost)	\$50,000
Investment Cost	\$50,000
Cost per Share	\$1.37
% Ownership (Full Dilution)	13.3%
Company Valuation at Cardinal Cost	\$30.5 million
Company Valuation at Assigned Fair Value	\$19.6 million

Outlook:

We are very optimistic about the prospects for our investment in VISICU.