

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

1st QUARTER, 2006

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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, 2006

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TO: The Limited Partners

FROM: John K. Clarke

DATE: June 15, 2006

SUBJECT: Activity for the Quarter ended March 31, 2006

The highlight of the first quarter for the Cardinal Health Partners portfolio occurred on April 4, 2006, with the pricing of the initial public offering filing for Visicu. The filing range for the offering was raised from \$11-\$13 to \$13-\$15 per share, with the offering being priced at \$16.00 per share. In other portfolio news, Athena began 2006 well and remains positioned to provide investor liquidity within the next 12-18 months. Financial performance at AccentCare was steady as the company works to improve its profitability. A synopsis of activity for the quarter at each active portfolio company follows.

AccentCare – Financial results at AccentCare for Fiscal 2006 (FYE 3/31) have shown solid improvement. Revenues for the year exceeded \$100 million, a growth of 9% over Fiscal 2005. Gross margins improved to 27.6%, as opposed to 25.5% for FY2005. EBITDA for the year was \$1.3 million, an increase of \$1.1 million over the prior year. March was the company's 20th consecutive month of positive same store growth and after excluding \$331K of acquisition related expenses, the 20th consecutive month of positive EBITDA. The forecast for Fiscal 2007 builds on the positive momentum established over the past two years. Revenues are forecast to grow 8% to \$108 million, gross margin is expected to improve to 28%, and EBITDA is forecast to exceed \$2.5 million. The forecast does not include any impact from managements proposed plan to acquire multiple smaller (<\$10 MM annual revenue) Medicare skilled service providers. If successfully implemented, the plan could add \$10-\$15 million to revenues for FY2007 and \$1-\$2 million in EBITDA for the year.

AthenaHealth – Athena had a good beginning to 2006. Revenues for the quarter were on plan at \$16.9 million, an 11% growth over the prior quarter and 40% higher than the prior year period. EBITDA was \$357K, almost \$1 million better than forecast. New customer implementations were a record \$6.1 million and should drive significant revenue growth through Q2 2006. However, Athena missed its sales target for the quarter, which will impact revenues for Q3 and Q4. Management's revised forecast for 2006 reflecting the impact of the missed sales target for Q1 shows revenues of \$77.1 million, \$2 million lower than plan for the year, but having a negligible effect on net income, with the company still on target to turn solidly profitable in Q4 2006. The annualized revenue run rate at the end of March was \$76.1 million on a contract base of \$85 million. We continue to view Athena as a very attractive candidate for a successful liquidity event in the next 12-18 months.

Visicu – We are very pleased to report that Visicu, Inc. (Nasdaq:EICU) completed an extremely successful public offering right after the end of the quarter, on April 4, 2006. The company ultimately sold 6.9 million shares at a price to the public of \$16 per share. Visicu received cash proceeds, net of estimated expenses, of approximately \$100.8 million from the offering. With our holdings at an average cost per share of \$1.075, we are very excited by this result and expect that the ultimate return to our investors from the Visicu investment will be excellent. In other news this quarter, the company reported solid financial results for the period that were in line with expectations and the company received notice from the U.S. Patent Office of allowance for all claims on its patent.

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:

Net income for the quarter was \$5.2 million, consisting of \$59K of net operating expenses for the period and \$5.3 million in net unrealized gains. The unrealized gains consisted of a \$5.3 million mark-up on the Visicu investment related to the change in the IPO filing range. There was no investment activity in the portfolio this period and there were no investment realizations. The cash balance at March 31, 2006 was \$816K, with partners' net assets totaling \$46.5 million.

Looking forward:

With the Visicu IPO now completed, we reiterate our belief that 2006 will be the breakout year in terms of liquidity and returns for the Cardinal Health Partners portfolio. We are confident that the portfolio has value potential substantially beyond that of our current carrying value and are diligently pursuing all avenues to realize that value. We remain committed to achieving the best possible return for our investors and appreciate your input and support.

Please note that effective April 1, 2006, Cardinal Partners has relocated its headquarters office to 600 Alexander Park, Suite 204, Princeton, NJ 08540. Telephone and facsimile numbers remain the same.

CARDINAL HEALTH PARTNERS, L.P.

**Income Statement
As of March 31, 2006**

	Three Months Ended 03/31/06
Revenue:	
Non Portfolio Income	\$5,766
Interest-Equivalent Amounts	0
Expenses:	
Management Fee	57,750
Professional Fees	10,000
NVCA Dues & Expenses	0
Amortization of Organization Costs	0
Annual Meeting & Misc. Expenses	0
Total Expenses	67,750
Net Operating Expense	(61,984)
Investment Income	2,676
Net Income Before Gains (Losses)	(59,308)
Realized Gains (Losses)	0
Unrealized Gains (Losses)	5,272,992
Net Income (Loss)	\$5,213,684

CARDINAL HEALTH PARTNERS, L.P.
Balance Sheet
As of March 31, 2006

ASSETS:	Period Ended 03/31/06	Period Ended 12/31/05
Cash and Short-Term Investments	\$815,917	\$867,901
Cash Held in Escrow (Net of Reserve of \$15,425)	50,000	50,000
Accrued Interest (General Partner Promissory Notes)	26,061	23,385
Venture Capital Investments	45,504,169	40,231,177
Receivable from Portfolio Company	0	0
Other Assets	156,091	156,091
	<u>\$46,552,238</u>	<u>\$41,328,554</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$46,280	\$36,280
Investment due Portfolio Company	0	0
Partners' Accounts	46,505,958	41,292,274
Total Liabilities and Capital	<u>\$46,552,238</u>	<u>\$41,328,554</u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of March 31, 2006

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 Cash Held in Escrow:	<u>03/31/06</u>	<u>12/31/05</u>
NexCura Holdback Amount	\$65,425	\$65,425
Accumulated Amortization	<u>(15,425)</u>	<u>(15,425)</u>
Total	<u>\$50,000</u>	<u>\$50,000</u>

Note 3 - Net Organization Costs:	<u>03/31/06</u>	<u>12/31/05</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 4 – Other Assets:	<u>03/31/06</u>	<u>12/31/05</u>
GP Promissory Note Principal	\$155,041	\$155,041
Prepaid NJ State Filing Fees	<u>1,050</u>	<u>1,050</u>
Total	<u>\$156,091</u>	<u>\$156,091</u>

Note 5 - Accrued Expenses:	<u>03/31/06</u>	<u>12/31/05</u>
Accounting & Audit	\$34,000	\$27,000
Management Fees	0	0
NVCA Dues and Other	9,280	9,280
Legal & Other Professional Fees	<u>3,000</u>	<u>0</u>
Total	<u>\$46,280</u>	<u>\$36,280</u>

Note 6 – Financial Highlights (Return & IRR):	<u>Net to LP's</u>	<u>Total Fund</u>
Year-to-Date Return on Net Assets	10.49%	13.11%
Internal Rate of Return Since Inception	3.23%	3.93%

CARDINAL HEALTH PARTNERS, L.P.
Statement of Cash Flows
As of March 31, 2006

	Three Months Ended 03/31/06
Cash flows from operating activities	
Net Income Before Gains (Losses)	(\$59,308)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:	
Accrued Interest Receivable	(2,676)
Net Organization Costs	0
Other Assets	0
Accrued Expenses & Payables	10,000
Net Cash used in Operating Activities	(51,984)
Cash flows from investing activities	
Purchases of venture capital investments	0
Sales of venture capital investments	0
Net cash used in investing activities	0
Cash flows from financing activities	
Cash contributions by partners	0
Cash distribution to partners	0
Net cash provided by financing activities	0
Net Change in Cash and Short Term Investments	(51,984)
Cash and Short Term Investments, beginning	867,901
Cash and Short Term Investments, ending	\$815,917

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of March 31, 2006

Company	Debt	Equity	Total Cost	Fair Value	Unrealized Gain (Loss)
AccentCare, Inc.	\$0	\$4,500,002	\$4,500,002	\$428,721	(\$4,071,281)
AthenaHealth, Inc.	0	3,000,000	3,000,000	10,799,999	7,799,999
Esurg Corporation	0	3,999,999	3,999,999	1,000	(3,998,999)
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	34,274,449	30,224,449
Totals	\$0	\$15,550,001	\$15,550,001	\$45,504,169	\$29,954,168

Cardinal Health Partners, L.P.
Statement of Partners' Contributions Accounts
As of March 31, 2006

	Partners' Total Subscription	Contributions Account 12/31/05	Period Contribution in Cash	Period Contribution by Note	Contributions Account 03/31/06	Partners' Outstanding Subscription
<u>Limited Partners</u>						
LACERA	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0
Nassau Capital Funds, L.P.	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
Natl. 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
Wachovia Bank Pension Plan	3,000,000	3,000,000	0	0	3,000,000	0
UNISYS Master Retirement Trust	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, 2006

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 03/31/06
<u>Limited Partners</u>							
LACERA	\$6,920,814	\$0	\$124,096	\$35,308	\$7,080,218	(\$7,039)	\$7,073,179
Nassau Capital Funds, L.P.	6,228,720	0	111,685	31,778	6,372,183	(6,335)	6,365,848
Robert Wood Johnson Foundation	5,190,627	0	93,071	26,481	5,310,179	(5,279)	5,304,900
State Teachers Ret. System. of Ohio	4,838,911	0	86,764	24,687	4,950,362	(4,921)	4,945,441
Northwestern University	3,460,373	0	62,046	17,654	3,540,073	(3,519)	3,536,554
Fleet Growth Resources (Summit Bank)	3,460,373	0	62,046	17,654	3,540,073	(3,519)	3,536,554
Pine Street Holdings I LLC	3,460,373	0	62,046	17,654	3,540,073	(3,519)	3,536,554
WIN 4 Holdings LLC	2,076,258	0	37,228	10,593	2,124,079	(2,112)	2,121,967
Wachovia Bank Pension Plan	2,076,258	0	37,228	10,593	2,124,079	(2,112)	2,121,967
UNISYS Master Retirement Trust	1,730,187	0	31,024	8,827	1,770,038	(1,760)	1,768,278
Venture Investment Associates II	1,384,165	0	24,819	7,062	1,416,046	(1,408)	1,414,638
S.R. One Limited	1,038,116	0	18,614	5,296	1,062,026	(1,056)	1,060,970
Hillside Capital Incorporated	692,090	0	12,410	3,531	708,031	(704)	707,327
	\$42,557,265	\$0	\$763,077	\$217,118	\$43,537,460	(\$43,283)	\$43,494,177
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	2,946,904	0	52,840	15,034	3,014,778	(2,997)	3,011,781
Total Partnership	\$45,504,169	\$0	\$815,917	\$232,152	\$46,552,238	(\$46,280)	\$46,505,958

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Three Months Ended March 31, 2006

	Partners' Capital 01/01/06	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 03/31/06
<u>Limited Partners</u>									
LACERA	\$6,401,488	\$0	\$929	(\$8,382)	\$0	(\$7,453)	\$679,144	\$0	\$7,073,179
Nassau Capital Funds, L.P.	5,761,325	0	836	(7,544)	0	(6,708)	611,231	0	6,365,848
Robert Wood Johnson Foundation	4,801,131	0	696	(6,286)	0	(5,590)	509,359	0	5,304,900
State Teachers Ret. System of Ohio	4,475,785	0	649	(5,860)	0	(5,211)	474,867	0	4,945,441
Northwestern University	3,200,708	0	464	(4,191)	0	(3,727)	339,573	0	3,536,554
Fleet Growth Resources	3,200,708	0	464	(4,191)	0	(3,727)	339,573	0	3,536,554
Pine Street Holdings I LLC	3,200,708	0	464	(4,191)	0	(3,727)	339,573	0	3,536,554
WIN 4 Holdings, LLC.	1,920,459	0	278	(2,514)	0	(2,236)	203,744	0	2,121,967
Wachovia Bank Pension Plan	1,920,459	0	278	(2,514)	0	(2,236)	203,744	0	2,121,967
UNISYS Master Retirement Trust	1,600,355	0	232	(2,095)	0	(1,863)	169,786	0	1,768,278
Venture Investment Associates II	1,280,299	0	186	(1,676)	0	(1,490)	135,829	0	1,414,638
S.R. One Limited	960,216	0	139	(1,257)	0	(1,118)	101,872	0	1,060,970
Hillside Capital Incorporated	640,157	0	93	(838)	0	(745)	67,915	0	707,327
	\$39,363,798	\$0	\$5,708	(\$51,539)	\$0	(\$45,831)	\$4,176,210	\$0	\$43,494,177
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	1,773,435	0	58	(13,535)	0	(13,477)	1,096,782	0	2,856,740
Total Partnership	\$41,137,233	\$0	\$5,766	(\$65,074)	\$0	(\$59,308)	\$5,272,992	\$0	\$46,350,917

* - 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, 2006

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 03/31/06
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$29,169	(\$1,231,676)	(\$969,720)	(\$2,172,227)	\$3,858,003	(\$4,612,597)	\$0	\$7,073,179
Nassau Capital Funds, L.P.	9,000,000	26,249	(1,108,511)	(872,746)	(1,955,008)	3,472,206	(4,151,350)	0	6,365,848
Robert Wood Johnson Foundation	7,500,000	21,875	(923,757)	(727,288)	(1,629,170)	2,893,502	(3,459,432)	0	5,304,900
State Teachers Ret. System of Ohio	6,992,127	20,398	(861,204)	(678,039)	(1,518,845)	2,697,567	(3,225,408)	0	4,945,441
Northwestern University	5,000,000	14,583	(615,839)	(484,859)	(1,086,115)	1,929,004	(2,306,335)	0	3,536,554
Fleet Growth Resources	5,000,000	14,583	(615,839)	(484,859)	(1,086,115)	1,929,004	(2,306,335)	0	3,536,554
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	645	(21,073)	326,008	305,580	2,254,013	(892,258)	1,869,219	3,536,554
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	1,921	(184,863)	(602,604)	(785,546)	707,418	(800,971)	2,742,497	2,121,967
Wachovia Bank Pension Plan	3,000,000	8,749	(369,501)	(290,916)	(651,668)	1,157,403	(1,383,768)	0	2,121,967
UNISYS Master Retirement Trust	2,500,000	7,292	(307,918)	(242,429)	(543,055)	964,500	(1,153,167)	0	1,768,278
Venture Investment Associates II	2,000,000	5,833	(246,333)	(193,944)	(434,444)	771,601	(922,519)	0	1,414,638
S.R. One Limited	1,500,000	4,375	(184,751)	(145,458)	(325,834)	578,701	(691,897)	0	1,060,970
Hillside Capital Incorporated	1,000,000	2,916	(123,170)	(96,972)	(217,226)	385,802	(461,249)	0	707,327
	\$61,492,127	\$179,354	(\$7,573,839)	(\$5,963,005)	(\$13,357,490)	\$23,723,700	(\$28,364,160)	\$0	\$43,494,177
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,811	(1,151,387)	(2,403,744)	(3,553,320)	6,230,467	(286,499)	0	3,011,781
Total Partnership	\$62,113,260	\$181,165	(\$8,725,226)	(\$8,366,749)	(\$16,910,810)	\$29,954,167	(\$28,650,659)	\$0	\$46,505,958

Cardinal Health Partners, L.P.
Comprehensive Fund Investment Summary
For the Period from July 25, 1997 to March 31, 2006

Portfolio Company	Investment Cost	Assigned Fair Value	Unrealized Gain (Loss)	Proceeds + Realized Value	Realized Gain (Loss)	Cumulative Investment Return
<u>Private Company Investments</u>						
AccentCare, Inc.	\$4,500,002	\$428,721	(\$4,071,281)	\$0	\$0	(\$4,071,281)
AthenaHealth, Inc.	3,000,000	10,799,999	7,799,999	0	0	7,799,999
Esurg Corporation (aka GroupSource)	3,999,999	1,000	(3,998,999)	0	0	(3,998,999)
VISICU, Inc.	4,050,000	34,274,449	30,224,449	0	0	30,224,449
<u>Fully Disposed Investments</u>						
Cubist Pharmaceuticals	3,999,998	0	0	12,066,659	8,066,661	8,066,661
InLight/ProMedex	3,334,443	0	0	0	(3,334,443)	(3,334,443)
Medcontrax (formerly Syntegra)	3,771,267	0	0	21,804	(3,749,463)	(3,749,463)
Molecular Mining Corporation	1,350,000	0	0	350,000	(1,000,000)	(1,000,000)
NexCura, Inc.	4,831,812	0	0	420,742	(4,411,070)	(4,411,070)
ParkStone Medical Information Systems	5,500,000	0	0	0	(5,500,000)	(5,500,000)
PointShare Corporation	3,850,001	0	0	143,012	(3,706,989)	(3,706,989)
Sentinel Health Partners	3,000,000	0	0	0	(3,000,000)	(3,000,000)
Signature Plastic Surgery	4,785,000	0	0	23,455	(4,761,545)	(4,761,545)
TechRx / NDCHealth	4,115,000	0	0	17,949,440	13,834,440	13,834,440
WiseBear, Inc.	1,000,000	0	0	195,660	(804,340)	(804,340)
	\$55,087,522	\$45,504,169	\$29,954,168	\$31,170,772	(\$8,366,749)	\$21,587,419

TO: The Limited Partners

FROM: John J. Park

DATE: April 17, 2006

SUBJECT: Portfolio Valuations for March 31, 2006

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. This memorandum delineates the portfolio valuations as proposed by the General Partner for those investments not valued at cost as of March 31, 2006.

ACCENTCARE – In May 2005, the company completed a \$13.8 million insider led financing that included the conversion of \$10 million in promissory notes. The financing valued the equity of the company at \$36 million post-money. Concurrent with the financing, the company enacted a 100 to 1 reverse split of the outstanding common and preferred stock of the corporation. As a result, the financing significantly diluted non-participating investors, while preserving the existing liquidation preferences of previous preferred series. Cardinal was not a participant in the financing. The financing took the form of a Series D preferred priced at \$2.2334 per share, triggering the weighted average anti-dilution protection provided for in the Series A and Series B preferred stock. Due to the dilution sustained from this financing, we propose to reduce the valuation for the AccentCare investment to the Series D preferred price on the basis of common stock equivalents. This results in a total carrying value of \$428,721 for the AccentCare investment, with a corresponding accumulated unrealized loss on the investment of \$4,071,281 on our cost basis of \$4,500,002 as of March 31, 2006. This valuation represents no change from the valuation for AccentCare as of December 31, 2005.

Value Computation:

Series A Convertible Preferred Stock		
118,035 CSE's x \$2.2334	=	\$263,619
Series B Convertible Preferred Stock		
73,924 CSE's x \$2.2334	=	<u>165,102</u>
Total Value		<u>\$428,721</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of March 31, 2006
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ATHENAHEALTH – On April 8, 2004, AthenaHealth completed a \$7.5 million Series E Preferred stock financing priced at \$5.04 per share and valuing the Company at \$142 million pre-money. A new investor, Granite Global Ventures, led this financing. Cardinal Health Partners did not participate in the financing. We propose to value our investment at the Series E price of \$5.04, resulting in an unrealized gain of \$7,799,999 on our cost basis of \$3,000,000 as of March 31, 2006. This valuation represents no change from the valuation as of December 31, 2005.

Value Computation:

$$\begin{array}{rcl} \text{Series C Convertible Preferred Stock} & & \\ 2,142,857 \text{ shares} \times \$5.04 & = & \underline{\underline{\$10,799,999}} \end{array}$$

GROUP SOURCE SOLUTIONS / ESURG – In early 2001, the company made significant operational cutbacks in order to conserve operating capital. Accordingly, in Q1 2002 we reduced the value of the Esurg investment to a minimal value of \$1,000, until such time as the company attained additional financing or was acquired. In June of 2004, the company merged with ILS, Inc. and all of the Series C preferred was converted into common shares of the newly formed company, Group Source Solutions. In June of 2005, the company dissolved the merger, and did a \$2.5 million “re-start” financing, that further diluted our common stock holdings through a 10 to 1 reverse stock split. We propose to maintain the minimal \$1,000 value for this investment until the investment is sold or the company ceases operations. As of March 31, 2006, 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, 2005.

Value Computation:

$$\begin{array}{rcl} \text{Common Stock} & & \\ 74,211 \text{ shares} & = & \underline{\underline{\$1,000}} \end{array}$$

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of March 31, 2006
Page 3 of 3

NEXCURA – In November 2005, NexCura was acquired in a cash transaction by Thomson Financial. After settlement of outstanding liabilities and other costs, the total net consideration available to be distributed to the stockholders was \$2.9 million, subject to a 15% holdback (2 year cash escrow) related to the representations and warranties made by NexCura. At closing, Cardinal received a total of \$370,742 in cash, plus \$65,425 as its share of the escrowed funds. We propose to value the holdback funds held in escrow at \$50,000 representing a conservative estimate of the ultimate funds to be received by Cardinal. This amount is recorded on the balance sheet as Net Cash Held in Escrow. As a result of this transaction we have recorded a cash in escrow receivable on the balance sheet totaling \$50,000, recorded a realized loss for \$4,411,070 { \$4,831,812 - (\$370,742 + \$50,000) }, and reversed a previously unrealized loss of \$4,331,812. This valuation represents no change from the valuation as of December 31, 2005.

Value Computation:

Series B & Series C Holdback Funds in Escrow	<u>\$50,000</u>
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VISICU (formerly IC-USA) – On November 29, 2005, Visicu filed for an initial public offering with the Securities and Exchange Commission. The offering is being lead managed by Morgan Stanley. The filing range for the offering is \$11-\$13 per share. At the end of the current quarter, the filing range was adjusted up to \$13-\$15 per share. We propose to value the Visicu investment at \$9.10 per share, representing a 30% discount from the bottom end price of \$13 per share from the adjusted IPO filing range. This results in a total carrying value for the Visicu investment of \$34,274,449, producing an unrealized gain of \$30,224,449 on our cost basis of \$4,050,000 as of March 31, 2006. This valuation represents an increase of \$5,272,992 from our valuation as of December 31, 2005.

Value Computation:

Series A Convertible Preferred Stock		
3,000,000 shares x \$9.10	=	\$27,300,000
Series B Convertible Preferred Stock		
729,927 shares x \$9.10	=	6,642,335
Series C Convertible Preferred Stock		
36,496 shares x \$9.10	=	<u>332,114</u>
Total Value		<u>\$34,274,449</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Investment Valuation Summary
For the Quarter Ended March 31, 2006

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value</u> <u>03/31/06</u>	<u>Fair Value</u> <u>12/31/05</u>	<u>Change from</u> <u>Prior Quarter</u>	<u>Reason for Change</u>
AccentCare, Inc.	\$4,500,002	\$428,721	\$428,721	0	
AthenaHealth, Inc.	3,000,000	10,799,999	10,799,999	0	
Esurg Corporation/GroupSource	3,999,999	1,000	1,000	0	
NexCura (formerly CancerFacts.com)	65,425	50,000	500,000	0	
VISICU, Inc. (formerly ICUSA)	4,050,000	34,274,449	29,001,457	5,272,992	Mark-up (note 1)
Total Portfolio	\$15,615,426	\$45,554,169	\$40,281,177	\$5,272,992	

(1) The Visicu initial public offering went effective on April 4, 2006 with an adjusted filing range of \$13-\$15 per share. The 3/31/06 valuation for Visicu is based upon the bottom end of the range for the public offering as adjusted, discounted 30% to \$9.10 per share as is required for restricted public securities per the Cardinal Valuation Policy.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 1st Quarter, 2006

Financial results at AccentCare for Fiscal 2006 (FYE 3/31) have shown solid improvement. Revenues for the year exceeded \$100 million, a growth of 9% over Fiscal 2005. Gross margins improved to 27.6%, as opposed to 25.5% for FY2005. EBITDA for the year was \$1.3 million, an increase of \$1.1 million over the prior year. March was the company's 20th consecutive month of positive same store growth and after excluding \$331K of acquisition related expenses, the 20th consecutive month of positive EBITDA. The forecast for Fiscal 2007 builds on the positive momentum established over the past two years. Revenues are forecast to grow 8% to \$108 million, gross margin is expected to improve to 28%, and EBITDA is forecast to exceed \$2.5 million. The forecast does not include any impact from managements proposed plan to acquire multiple smaller (<\$10 MM annual revenue) Medicare skilled service providers. If successfully implemented, the plan could add \$10-\$15 million to revenues for FY2007 and \$1-\$2 million in EBITDA.

In the current quarter, AccentCare East continued to perform ahead of budget in almost all areas, while West Coast operations were impacted by a tight labor market in California coupled with the shut down of the unprofitable private duty skilled nursing group. Revenues for the period were \$25.4 million, a slight growth over the prior quarter, but 5% below plan. Gross margins were 27% for the period and 1% higher than forecast. Adjusted EBITDA was +\$118K for the period, well behind plan due to the lower West Coast revenue. During the period, the company expensed \$331K of previously capitalized expenses related to an acquisition that was completed in April. The company has a current annualized revenue run rate exceeding \$105 million and has been EBITDA positive for 20 consecutive months.

AccentCare is currently operating at cash flow breakeven and overall liquidity has improved by almost \$1.0 million over March 2005. Management has begun implementing a plan to increase the proportion of higher margin Medicare reimbursed skilled nursing services from 1% currently to 33% of the company's revenue mix. To accomplish this, the company would acquire multiple smaller (<\$10 MM revenue) Medicare service providers located primarily in the Southwestern United States. The acquisition plan would be financed by a combination of seller notes, A/R or cash flow debt financing, mezzanine sub debt and \$5-\$10 million in new financing by the current investors to add sufficient EBITDA to enable a transition from A/R collateral to cash flow based financing. We have evaluated the terms for a \$6 MM insider-led bridge loan and decided to defer any potential investment by Cardinal until we are more convinced the company will require no further significant financing. AccentCare has seen a terrific improvement in financial performance over the past 24 months, but we believe the company will require additional financing to attain liquidity for the investors.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>FY03 Actual</i>	<i>FY04 Actual</i>	<i>FY05 Actual</i>	<i>FY06 Actual</i>	<i>FY07 Budget</i>
Revenues	54,815	82,209	92,483	100,819	108,292
Cost of Services	37,349	62,978	68,935	72,963	77,637
Operating Expenses	20,508	24,533	24,110	27,194	28,759
EBIT	-3,042	-5,302	-562	+662	+1,896
Interest and Taxes	-558	-1,910	-2,721	-2,457	-2,074
Net Income	-3,600	-7,212	-3,283	-1,795	-178
EBITDA	-2,295	-4,390	+275	+1,325	+2,535

Last Three Months: Quarter Ended March 31, 2006

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	25,424	26,671	-1,247
Cost of Services	18,538	19,512	+974
Operating Expenses	7,252	6,988	-264
EBIT	-366	+171	-537
Interest and Taxes	-530	-454	-76
Net Income	-896	-283	-613
EBITDA	-213	+353	-566

Fiscal Year-to-Date: Twelve Months Ended March 31, 2006

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	100,819	103,910	-3,091
Cost of Services	72,963	75,738	+2,775
Operating Expenses	27,194	27,534	+340
EBIT	+662	+638	+24
Interest and Taxes	-2,457	-1,783	-674
Net Income	-1,795	-1,145	-650
EBITDA	+1,325	+1,496	-171

ACCENTCARE, INC. (cont.)

Summary Balance Sheet as of March 31, 2006: (\$000)

Cash	\$ 6,563	Accounts Payable	\$ 3,008
Accounts Receivable	20,227	Accrued Expenses	4,563
Other Current Assets	<u>1,218</u>	Other Current Liabilities	<u>13,607</u>
Total Current Assets	28,008	Total Current Liabilities	21,178
Net PP&E	1,169	Long Term Liabilities	7,924
Intangibles (Net)	12,097	Shareholders Equity	62,145
Other Assets	<u>427</u>	Retained Earnings	<u>-49,546</u>
Total Assets	<u>\$41,701</u>	Total Liabilities & Equity	<u>\$41,701</u>

Comments:

Overall liquidity at AccentCare was impacted by a three payroll period month in March. The company is slightly behind its cash forecast due to lower than forecast proceeds from the financing that closed in June 2005. Working capital needs will be supported by the A/R facility that currently has over \$2.4 million available.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	2,500,000 shares
Assigned Fair Value (118,035 CSE's x \$2.2334)	\$263,619
Investment Cost	\$2,500,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	1,176,472 shares
Assigned Fair Value (73,924 CSE's x \$2.2334)	\$165,102
Investment Cost	\$2,000,002
Cost per Share	\$1.70
% Ownership (Full Dilution)	1.25%
Company Valuation at Cardinal Cost	\$360.0 million
Company Valuation at Assigned Fair Value	\$34.3 million

Outlook:

We are cautiously optimistic about the long term prospects for AccentCare. However, the June 2005 financing substantially diluted our interest, reducing our expectations for a positive return on our investment.

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

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 1st Quarter, 2006

Athena had a good beginning to 2006. Revenues for the quarter were on plan at \$16.9 million, an 11% growth over the prior quarter and 40% higher than the prior year period. EBITDA was \$357K, almost \$1 million better than forecast. New customer implementations were a record \$6.1 million and should drive significant revenue growth through Q2 2006. However, Athena missed its sales target for the quarter, which will impact revenues for Q3 and Q4. Management's revised forecast for 2006 reflecting the impact of the missed sales target for Q1 shows revenues of \$77.1 million, \$2 million lower than plan for the year, but having a negligible effect on net income, with the company still on target to turn solidly profitable in Q4 2006. The annualized revenue run rate at the end of March was \$76.1 million on a contract base of \$85 million.

Other financial parameters for Athena remained strong during the period. Gross profits improved 7.6% for the quarter despite the move of some indirect costs to the direct cost line. Overall gross margins for the quarter were lower for this reason, but nevertheless improved to 50.4% in March. This led to improved bottom line results for the quarter as the higher gross profit was greater than increases in indirect expenses. EBITDA significantly exceeded its target leading to total cash at the end of the period coming in \$300K ahead of plan. The period also saw the successful implementation of the new \$5 million loan facility that was partially funded at the end of the quarter.

Management's reforecast for the year shows lower revenue growth than originally expected for the second half of the year, so reductions have been made to planned expenditures to ensure the balance sheet meets expectations. We continue to expect Athena to be financially self-sustaining until a liquidity event for the investors. During 2005, management began discussions with investment bankers and has projected that a liquidity event would be best timed in late 2006/early 2007 based upon forecasted 2007 revenues of \$110 million with EBITDA of \$19 million. We continue to view Athena as a very attractive candidate for a successful liquidity event in the next 12-18 months.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2002 Actual</i>	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Budget</i>
Revenues	11,985	24,666	39,025	53,554	79,248
Direct Expenses	10,137	16,148	21,520	27,525	39,973
SG&A	8,860	10,501	16,497	29,067	32,429
EBITDA	-7,012	-1,983	1,008	-3,038	6,846
Depreciation	-2,493	-2,894	-3,158	-4,940	-6,094
Interest and Taxes	-55	-475	-1,212	-1,904	-3,061
Net Income	-9,560	-5,352	-3,362	-9,882	-2,309

Last Three Months: Quarter Ended March 31, 2006

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	16,855	16,923	-68
Direct Expenses	8,738	8,927	+189
SG&A	7,760	8,573	+813
EBITDA	+357	-577	+934
Depreciation	-1,533	-1,465	-68
Interest and Taxes	-580	-684	+104
Net Income	-1,756	-2,726	+970

Fiscal Year-to-Date: Three Months Ended March 31, 2006

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	16,855	16,923	-68
Direct Expenses	8,738	8,927	+189
SG&A	7,760	8,573	+813
EBITDA	+357	-577	+934
Depreciation	-1,533	-1,465	-68
Interest and Taxes	-580	-684	+104
Net Income	-1,756	-2,726	+970

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of March 31, 2006: (\$000)

Cash	\$ 11,622	A/P and Accrued Expenses	\$ 6,066
Accounts Receivable	8,373	Deferred Revenue	3,063
Other Current Assets	<u>1,977</u>	Current Portion of Debt	<u>8,715</u>
Total Current Assets	22,012	Total Current Liabilities	17,844
Net PP&E	14,409	Long Term Liabilities	26,943
Intangibles (Net)	3,829	Shareholders Equity	51,764
Other Assets	<u>190</u>	Retained Earnings	<u>-56,111</u>
Total Assets	<u>\$40,440</u>	Total Liabilities & Equity	<u>\$40,440</u>

Comments:

Athena burned \$1.1 million during the quarter, but was \$300K ahead of plan. The company expects to operate at cash flow positive beginning in Q3 2006 as they continue to invest heavily in infrastructure to support future growth. The new \$5 million loan facility was put in place at the end of the quarter, but has not been fully funded.

Cardinal Health Partners Holdings:

Series C Convertible Preferred Stock	2,142,857 shares
Assigned Fair Value (\$5.04 x 2,142,857)	\$10,799,999
Investment Cost	\$3,000,000
Cost per Share	\$1.40

% Ownership (Full Dilution) 7.2%

Company Valuation at Cardinal Cost	\$41.7 million
Company Valuation at Assigned Fair Value	\$150.0 million

Outlook:

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

ESURG CORPORATION
(aka Group Source Solutions, Inc.)
Seattle, WA
{www.esurg.com}

Online Supplies for Outpatient Surgery Centers

Period Summary: 1st Quarter, 2006

There is nothing new to report related to the Cardinal investment in Esurg Corporation. By way of review, in May 2004, Esurg completed a merger with Integrated Logistics Systems Group (ILS), a Midwest-based medical supply distributor. The combined entity was renamed to Group Source Solutions, Inc. The merger was done in tandem with a financing of \$2.5 million by some members of the Esurg investor syndicate. The terms of the merger and financing diluted our equity ownership position to 0.25% on a fully diluted basis and converted our preferred shares into 74,211 shares of common stock of Group Source Solutions.

In June 2005, the management of Group Source Solutions concluded that the integration of Esurg with Integrated Logistics Systems Group (ILS) was not producing the desired results. The ILS business was spun out to its prior owners and the Esurg investor syndicate agreed to provide the company with an additional \$2 million in financing and change the name back to Esurg. While this is the most viable long-term course for the company, it is not without significant risk and Cardinal elected not to participate in the financing. Accordingly, the terms of the financing have further diluted our equity ownership position to 0.1% on a fully diluted basis.

As Cardinal is no longer a significant shareholder in the company, Cardinal has lost its information rights and will not receive quarterly financial and operational updates.

Cardinal Health Partners Holdings:

Common Stock	74,211 shares
Assigned Fair Value	\$1,000
Investment Cost	\$3,999,999
Cost per Share	\$1.54
 % Ownership (Full Dilution)	 0.10%

Outlook:

The Cardinal holdings have been diluted substantially and expectations are low for any return on the Esurg investment.

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

eCare Tools for Chronic Disease Management

Period Summary: 1st Quarter, 2006

As reported previously, NexCura was acquired on November 3, 2005, in a \$6.9 million cash transaction by Thomson, Inc., the \$8B financial publisher. After settlement of outstanding liabilities and other costs, the net consideration available for distribution to the stockholders was \$2.9 million, subject to a 15% holdback (2 year escrow) related to the representations and warranties made by NexCura. At closing, Cardinal received a total of \$370,742 in cash, plus \$65,425 representing its share of the escrowed funds. We expect to receive substantially all of the holdback funds when released in November 2007. We have valued the holdback funds held in escrow at \$50,000 representing a conservative estimate of the ultimate funds to be received by Cardinal. This amount is recorded on the balance sheet as Net Cash Held in Escrow.

Cardinal Health Partners Holdings:

Cash Holdback Held in Escrow	\$ 64,425
Reserve Against Escrow	<u>(15,425)</u>
Net Cash Held in Escrow	\$ 50,000

VISICU, INC.
Baltimore, MD
{www.visicu.com}

Remote Monitoring Services for Intensive Care Hospital Units

Period Summary: 1st Quarter, 2006

We are very pleased to report that Visicu, Inc. (Nasdaq:EICU) completed an extremely successful public offering right after the end of the quarter, on April 4, 2006. The company ultimately sold 6.9 million shares at a price to the public of \$16 per share. Visicu received cash proceeds, net of estimated expenses, of approximately \$100.8 million from the offering. With our holdings at an average cost per share of \$1.075, we are very excited by this result and expect that the ultimate return to our investors from the Visicu investment will be excellent. In other news this quarter, the company reported solid financial results for the period that were in line with expectations and the company received notice from the U.S. Patent Office of allowance for all claims on its patent.

Visicu reported significantly higher revenues and operating income for the first quarter over the same quarter from the prior year. Revenues for the first quarter were \$6.7 million, which represents a 91% increase over the same quarter last year. Adjusted operating income for the first quarter increased to \$1.0 million, resulting in a 15.3% adjusted operating margin, from an adjusted operating loss of \$935,000 for the same quarter last year. Adjusted operating income (loss) and adjusted operating margin exclude non-cash stock-based compensation expense included in the GAAP results. GAAP operating income for the first quarter increased to \$452,000, resulting in a 6.8% operating margin, from a GAAP operating loss of \$1.1 million for the same quarter last year. Net income increased to \$314,000, from a net loss of \$1.4 million a year ago. Net income for the first quarter includes \$571,000 of non-cash stock-based compensation expense in the first quarter of 2006 and \$123,000 of non-cash stock-based compensation expense in the first quarter of 2005. The company expects that its revenue for 2006 will be 53-56% higher than its revenue for 2005. It also expects that GAAP operating margins will be 7-9% for the year and that adjusted operating margins, which exclude non-cash stock-based compensation expense included in GAAP results, will be 16-18% for the year. Total revenue backlog at the end of the first quarter amounted to \$74.5 million.

During the quarter the U.S. Patent and Trademark Office issued a notice that it intends to issue an ex parte re-examination certificate in the pending re-examination proceeding allowing all 26 of the amended claims of the company's patent entitled "System and method for providing continuous, expert network critical care services from remote location(s)." Visicu's patent covers a system and method for the care of critically ill patients receiving hospital care that combines a real-time, multi-node telemedicine network and an integrated, computerized patient care management system. This allowance represents a reinforcement of the competitive advantages for Visicu as it continues to penetrate its markets.

VISICU, INC. (cont.)**FINANCIAL SUMMARY: (\$000)**

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>
Revenues	1,429	2,380	2,218	5,514	18,352
Cost of Sales	1,824	1,638	769	1,466	3,866
Operating Expenses	7,049	7,718	9,843	12,174	16,176
EBIT	-7,444	-6,976	-8,394	-8,126	-1,690
Interest and Taxes	232	+36	-10	+3,999	+11,757
Net Income	-7,212	-6,940	-8,404	-4,127	+10,067

Statement of Operations:

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>03/31/06</u>	<u>03/31/05</u>	<u>12/31/05</u>	<u>12/31/04</u>
Revenues	6,669	3,495	18,352	5,514
Cost of Sales	1,403	755	3,866	1,466
Operating Expenses	<u>4,814</u>	<u>3,798</u>	<u>16,176</u>	<u>12,174</u>
Income (Loss) from Operations	+452	-1,058	-1,690	-8,126
Other Income (Expense)	+138	+39	+331	+19
Tax Benefit (Expense)	<u>-276</u>	<u>-1</u>	<u>+11,426</u>	<u>+3,980</u>
Net Income (Loss)	+314	-1,020	+10,067	-4,127
Earnings Per Share (\$)	+\$0.06	-\$0.40	+2.61	-\$1.83

Summary Balance Sheet as of March 31, 2006:

Cash	\$ 15,194	Accounts Payable	\$ 1,706
Receivables	5,139	Accrued Expenses	853
Other Current Assets	<u>9,965</u>	Deferred Revenue	<u>24,503</u>
Total Current Assets	30,298	Total Current Liabilities	27,062
Net PP&E	1,687	Long Term Liabilities	22,976
Intangible & Other Assets	<u>12,834</u>	Shareholders Equity (Net)	<u>-5,219</u>
Total Assets	<u>\$44,819</u>	Total Liabilities & Equity	<u>\$44,819</u>

Comments:

The balance sheet above does not reflect \$100.8 million in net proceeds from the initial public offering completed on April 4, 2006.

VISICU, INC. (cont.)

Cardinal Equity Position at 3/31/06:

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	3,000,000 shares
Assigned Fair Value (3,000,000 x \$9.10)	\$27,300,000
Investment Cost	\$3,000,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	729,927 shares
Assigned Fair Value (729,927 x \$9.10)	\$6,642,335
Investment Cost	\$1,000,000
Cost per Share	\$1.37
Series C Convertible Preferred Stock	36,496 shares
Assigned Fair Value (36,496 x \$9.10)	\$332,114
Investment Cost	\$50,000
Cost per Share	\$1.37
% Ownership (Full Dilution)	12.7%
Company Valuation at Cardinal Cost	\$31.8 million
Company Valuation at Assigned Fair Value	\$269.9 million

Outlook:

With the successful completion of the initial public offering in early April, we are very enthusiastic about the prospects for producing an excellent return to our Limited Partners from the Visicu investment.