

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

1st QUARTER, 2007

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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, 2007

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TO: The Limited Partners

FROM: John K. Clarke

DATE: June 15, 2007

SUBJECT: Activity for the Quarter ended March 31, 2007

The Cardinal Health Partners, L.P. portfolio continued on a steady track towards investor liquidity during the period. AthenaHealth recorded another solid quarter of operating performance and remains on track towards an investor liquidity event in 2007. Fiscal 2007 (FYE 3/31) financial performance at AccentCare demonstrated further improvement, including the assimilation of the SunPlus acquisition completed late last year. Finally, Visicu (Nasdaq:EICU) reported another strong quarter of financial performance, but the market is seemingly waiting for evidence of new sales momentum to reflect what we believe is an appropriate value for the company. A synopsis of activity for the quarter at each active portfolio company follows.

AccentCare – For fiscal 2007 (FYE 3/31), financial performance at AccentCare has shown substantial improvement. The company recorded revenues of \$135 million for the year, an increase of 34% over the prior year. EBITDA was \$3.4 million, an increase of \$2.2 million over fiscal 2006. Gross margins improved to 31%, primarily as a result of the SunPlus home health acquisition completed in December 2006. The company has been EBITDA positive and produced same store growth for 32 consecutive months. The forecast for fiscal 2008 shows revenues of \$193.4 million, producing EBITDA of \$9 million. Gross margins are expected to improve to 34%, with the company operating at cash flow positive for the first time in its history.

AthenaHealth – Athena performed well in the first quarter of 2007, while continuing to undertake significant expenditures in infrastructure, sales and marketing to support future growth. The company missed its revenue target by 2%, but through tight expense control still achieved positive EBITDA for the fourth consecutive quarter. Gross margins improved to 51% as opposed to 46% last quarter. The current annual revenue run rate is \$94.1 million with an implementation backlog of \$20.2 million. The company remains on track with its lead investment bankers, Goldman Sachs and Merrill Lynch, in its preparations for a potential initial public offering in 2007. We continue to view Athena as a very attractive candidate for a highly successful liquidity event in the next 12-18 months.

Visicu – Visicu (Nasdaq:EICU) reported significantly higher revenue and operating income for the first quarter of 2007 as compared to the same period in 2006. Revenue for the period was \$8.7 million, a 31% increase over 2006 revenue of \$6.7 million, and 11% higher than last quarter. Operating income for the quarter increased 212% over the prior year period, to \$1.4 million, resulting in a 16% operating margin. Operating income included non-cash stock-based compensation expense of \$685K and \$571K in 2006 and 2005, respectively. Net income for the first quarter of 2007 increased to \$2.0 million, or \$0.06 per diluted share, from \$314,000, or \$0.01 per diluted share last year. The company generated \$6.4 million in net positive cash flow during the quarter. Total revenue backlog at the end of the quarter amounted to \$70.1 million, a decrease of \$1 million over December 31, 2006. As of March 31, 2007, the company had \$129 million in cash and equivalents with a total market capitalization of \$270 million. The share price for Visicu is currently suffering from a lack of confidence in the market relative to a perceived shortfall in new system sales. The company has substantial capital resources and a strong cash flow business model and we remain confident the current Visicu share price is substantially undervaluing the company's real worth.

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 loss for the quarter was \$11.4 million, consisting of \$52K of net operating expenses for the period plus \$11.4 million in net unrealized gains. The unrealized gains consisted of the \$11.4 million mark-down on the Visicu investment related to the market price decrease for the quarter. There was no investment activity in the portfolio this period. In February, we completed a \$4.18 million cash distribution, representing the proceeds from the sale of Visicu shares at the end of last year. Cumulative distributions to the investors now stand at \$32.83 million, or 53% of contributed capital. The cash balance at March 31, 2007 is \$570K, with partners' net assets totaling \$38.1 million.

Looking forward:

With Athena well down the road on preparations for investor liquidity, and Visicu undervalued in the market, we remain very 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, 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
For the Period Ended March 31, 2007

	Three Months Ended 03/31/07
Revenue:	
Non Portfolio Income	\$4,871
Interest-Equivalent Amounts	0
Expenses:	
Management Fee	51,375
Professional Fees	7,550
NVCA Dues & Expenses	0
Amortization of Organization Costs	0
Annual Meeting & Misc. Expenses	900
Total Expenses	59,825
Net Operating Expense	(54,954)
Investment Income	2,676
Net Income Before Gains (Losses)	(52,278)
Realized Gains (Losses)	0
Unrealized Gains (Losses)	(11,382,939)
Net Income (Loss)	(\$11,435,217)

CARDINAL HEALTH PARTNERS, L.P.
Balance Sheet
As of March 31, 2007

ASSETS:	Period Ended 03/31/07	Period Ended 12/31/06
Cash and Short-Term Investments	\$569,903	\$4,795,721
Cash Held in Escrow (Net of Reserve of \$15,425)	50,000	50,000
Accrued Interest (General Partner Promissory Notes)	14,328	34,238
Venture Capital Investments	37,343,519	48,726,458
Receivable from Portfolio Company	0	0
Other Assets	155,416	156,091
	<u>\$38,133,166</u>	<u>\$53,762,508</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$7,625	\$21,750
Investment due Portfolio Company	0	0
Partners' Accounts	38,125,541	53,740,758
Total Liabilities and Capital	<u>\$38,133,166</u>	<u>\$53,762,508</u>

CARDINAL HEALTH PARTNERS, L.P.**Footnotes****As of March 31, 2007**

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>03/31/07</u>	<u>12/31/06</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>03/31/07</u>	<u>12/31/06</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>03/31/07</u>	<u>12/31/06</u>
GP Promissory Note Principal	\$155,041	\$155,041
Prepaid NJ State Filing Fees	<u>375</u>	<u>1,050</u>
Total	<u>\$155,416</u>	<u>\$156,091</u>

Note 5 - Accrued Expenses:	<u>03/31/07</u>	<u>12/31/06</u>
Accounting & Audit	\$6,250	\$26,000
Management Fees	0	(4,250)
NVCA Dues and Other	0	0
Legal & Other Professional Fees	<u>1,375</u>	<u>0</u>
Total	<u>\$7,625</u>	<u>\$21,750</u>

Note 6 – Financial Highlights (Return & IRR):	<u>Net to LP's</u>	<u>Total Fund</u>
Year-to-Date Return on Net Assets	-18.40%	-23.00%
Internal Rate of Return Since Inception	2.03%	2.47%

CARDINAL HEALTH PARTNERS, L.P.
Statement of Cash Flows
For the Period Ended March 31, 2007

	Three Months Ended 03/31/07
Cash flows from operating activities	
Net Income Before Gains (Losses)	(\$52,278)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:	
Accrued Interest Receivable	19,910
Net Organization Costs	0
Other Assets	675
Accrued Expenses & Payables	(14,125)
Net Cash provided (used) in Operating Activities	(45,818)
Cash flows from investing activities	
Purchases of venture capital investments	0
Sales of venture capital investments	0
Net cash provided (used) in investing activities	0
Cash flows from financing activities	
Cash contributions by partners	0
Cash distribution to partners	(4,180,000)
Net cash provided (used) by financing activities	(4,180,000)
Net Change in Cash and Short Term Investments	(4,225,818)
Cash and Short Term Investments, beginning	4,795,721
Cash and Short Term Investments, ending	\$569,903

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of March 31, 2007

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	3,599,991	3,599,991	26,113,799	22,513,808
Totals	\$0	\$15,099,992	\$15,099,992	\$37,343,519	\$22,243,527

Cardinal Health Partners, L.P.
Statement of Partners' Contributions Accounts
As of March 31, 2007

	Partners' Total Subscription	Contributions Account 12/31/06	Period Contribution in Cash	Period Contribution by Note	Contributions Account 03/31/07	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 Share of Net Assets
For the Period Ended March 31, 2007

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 03/31/07
<u>Limited Partners</u>							
LACERA	\$1,726,024	\$4,013,730	\$87,594	\$33,775	\$5,861,123	(\$1,172)	\$5,859,951
Nassau Capital Funds, L.P.	1,553,418	3,612,349	78,835	30,397	5,274,999	(1,055)	5,273,944
Robert Wood Johnson Foundation	1,294,524	3,010,309	65,697	25,331	4,395,861	(879)	4,394,982
State Teachers Ret. System. of Ohio	1,206,795	2,806,303	61,243	23,615	4,097,956	(819)	4,097,137
Northwestern University	863,002	2,006,841	43,798	16,887	2,930,528	(586)	2,929,942
Fleet Growth Resources (Summit Bank)	863,002	2,006,841	43,798	16,887	2,930,528	(586)	2,929,942
Pine Street Holdings I LLC	863,002	2,006,841	43,798	16,887	2,930,528	(586)	2,929,942
WIN 4 Holdings LLC	517,812	1,204,129	26,278	10,133	1,758,352	(352)	1,758,000
Wachovia Bank Pension Plan	517,812	1,204,129	26,278	10,133	1,758,352	(352)	1,758,000
UNISYS Master Retirement Trust	431,501	1,003,421	21,899	8,444	1,465,265	(293)	1,464,972
Venture Investment Associates II	345,205	802,746	17,519	6,755	1,172,225	(234)	1,171,991
S.R. One Limited	258,902	602,055	13,139	5,066	879,162	(176)	878,986
Hillside Capital Incorporated	172,605	401,379	8,759	3,378	586,121	(117)	586,004
	\$10,613,604	\$24,681,073	\$538,635	\$207,688	\$36,041,000	(\$7,207)	\$36,033,793
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	616,116	1,432,726	31,268	12,056	2,092,166	(418)	2,091,748
Total Partnership	\$11,229,720	\$26,113,799	\$569,903	\$219,744	\$38,133,166	(\$7,625)	\$38,125,541

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Three Months Ended March 31, 2007

	Partners' Capital 01/01/07	Net Capital Contributed	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 03/31/07
<u>Limited Partners</u>									
LACERA	\$8,005,582	\$0	\$784	(\$7,362)	\$0	(\$6,578)	(\$1,466,088)	(\$672,965)	\$5,859,951
Nassau Capital Funds, L.P.	7,205,011	0	706	(6,626)	0	(5,920)	(1,319,475)	(605,668)	5,273,944
Robert Wood Johnson Foundation	6,004,203	0	588	(5,520)	0	(4,932)	(1,099,566)	(504,723)	4,394,982
State Teachers Ret. System of Ohio	5,597,388	0	548	(5,147)	0	(4,599)	(1,025,107)	(470,545)	4,097,137
Northwestern University	4,002,756	0	392	(3,680)	0	(3,288)	(733,044)	(336,482)	2,929,942
Fleet Growth Resources	4,002,756	0	392	(3,680)	0	(3,288)	(733,044)	(336,482)	2,929,942
Pine Street Holdings I LLC	4,002,756	0	392	(3,680)	0	(3,288)	(733,044)	(336,482)	2,929,942
WIN 4 Holdings, LLC.	2,401,688	0	235	(2,208)	0	(1,973)	(439,826)	(201,889)	1,758,000
Wachovia Bank Pension Plan	2,401,688	0	235	(2,208)	0	(1,973)	(439,826)	(201,889)	1,758,000
UNISYS Master Retirement Trust	2,001,379	0	196	(1,840)	0	(1,644)	(366,522)	(168,241)	1,464,972
Venture Investment Associates II	1,601,117	0	157	(1,472)	0	(1,315)	(293,218)	(134,593)	1,171,991
S.R. One Limited	1,200,830	0	118	(1,104)	0	(986)	(219,913)	(100,945)	878,986
Hillside Capital Incorporated	800,567	0	78	(736)	0	(658)	(146,609)	(67,296)	586,004
	\$49,227,721	\$0	\$4,821	(\$45,263)	\$0	(\$40,442)	(\$9,015,286)	(\$4,138,200)	\$36,033,793
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	4,357,996	0	49	(11,887)	0	(11,838)	(2,367,651)	(41,800)	1,936,707
Total Partnership	\$53,585,717	\$0	\$4,870	(\$57,150)	\$0	(\$52,280)	(\$11,382,937)	(\$4,180,000)	\$37,970,500

* - 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, 2007

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 03/31/07
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$32,865	(\$1,262,861)	(\$489,388)	(\$1,719,384)	\$2,864,897	(\$5,285,562)	\$0	\$5,859,951
Nassau Capital Funds, L.P.	9,000,000	29,576	(1,136,578)	(440,446)	(1,547,448)	2,578,410	(4,757,018)	0	5,273,944
Robert Wood Johnson Foundation	7,500,000	24,648	(947,144)	(367,039)	(1,289,535)	2,148,672	(3,964,155)	0	4,394,982
State Teachers Ret. System of Ohio	6,992,127	22,983	(883,009)	(342,185)	(1,202,211)	2,003,174	(3,695,953)	0	4,097,137
Northwestern University	5,000,000	16,432	(631,430)	(244,693)	(859,691)	1,432,450	(2,642,817)	0	2,929,942
Fleet Growth Resources	5,000,000	16,432	(631,430)	(244,693)	(859,691)	1,432,450	(2,642,817)	0	2,929,942
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	2,494	(36,664)	566,174	532,004	1,757,459	(1,228,740)	1,869,219	2,929,942
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	3,030	(194,218)	(458,504)	(649,692)	409,486	(1,002,860)	2,742,497	1,758,000
Wachovia Bank Pension Plan	3,000,000	9,858	(378,856)	(146,816)	(515,814)	859,471	(1,585,657)	0	1,758,000
UNISYS Master Retirement Trust	2,500,000	8,216	(315,714)	(122,346)	(429,844)	716,224	(1,321,408)	0	1,464,972
Venture Investment Associates II	2,000,000	6,572	(252,570)	(97,878)	(343,876)	572,979	(1,057,112)	0	1,171,991
S.R. One Limited	1,500,000	4,930	(189,429)	(73,408)	(257,907)	429,735	(792,842)	0	878,986
Hillside Capital Incorporated	1,000,000	3,285	(126,288)	(48,939)	(171,942)	286,491	(585,545)	0	586,004
	\$61,492,127	\$202,087	(\$7,765,595)	(\$3,009,340)	(\$10,572,848)	\$17,616,874	(\$32,502,360)	\$0	\$36,033,793
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	2,041	(1,201,747)	(1,628,034)	(2,827,740)	4,626,654	(328,299)	0	2,091,748
Total Partnership	\$62,113,260	\$204,128	(\$8,967,342)	(\$4,637,374)	(\$13,400,588)	\$22,243,528	(\$32,830,659)	\$0	\$38,125,541

Cardinal Health Partners, L.P.
Comprehensive Fund Investment Summary
For the Period from July 25, 1997 to March 31, 2007

Portfolio Company	Investment Cost	Assigned Fair Value	Unrealized Gain (Loss)	Proceeds + Realized Value	Realized Gain (Loss)	Cumulative Investment Return
<u>Public Company Investments</u>						
VISICU, Inc.	\$4,050,000	\$26,113,799	\$22,513,808	\$4,179,384	\$3,729,375	\$26,243,183
<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)
NexCura, Inc. (formerly Cancerfacts)	4,831,812	0	0	420,742	(4,411,070)	(4,411,070)
<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)
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	\$37,343,519	\$22,243,527	\$35,350,156	(\$4,637,374)	\$17,606,153

TO: The Limited Partners

FROM: John J. Park

DATE: April 15, 2007

SUBJECT: Portfolio Valuations for March 31, 2007

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 market unless they are subject to trading restrictions. This memorandum delineates the portfolio valuations as proposed by the General Partner for all the investments held in the Cardinal Health Partners portfolio as of March 31, 2007.

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, 2007. This valuation represents no change from the valuation for AccentCare as of December 31, 2006.

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, 2007
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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, 2007. This valuation represents no change from the valuation for the AthenaHealth investment as of December 31, 2006.

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, 2007, 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, 2006.

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, 2007
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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. This valuation represents no change from the valuation for the NexCura escrow as of December 31, 2006.

Value Computation:

Series B & Series C Holdback Funds in Escrow	<u>\$50,000</u>
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VISICU (formerly IC-USA) – On April 5, 2006, Visicu (NASDAQ:EICU) completed an initial public offering of its securities priced at \$16.00 per share. Concurrent with the IPO, all of the Cardinal Health Partners preferred stock holdings were converted 1 for 1 into 3,766,423 shares of Visicu common stock, with a combined cost basis of \$4,050,000. During December 2006, Cardinal sold 418,500 shares of Visicu in a series of open market transactions, netting proceeds of \$4,179,384. As a result of these sales, we have reduced the cost basis for the Visicu investment from \$4,050,000 to \$3,599,991 and recorded a realized gain of \$3,729,375.

Cardinal now holds 3,347,923 shares of Visicu common stock. All of these common shares are unrestricted and freely tradable. Accordingly, as is stipulated in the Cardinal Standard Valuation Policy, we propose to value our Visicu holdings at the closing market price for March 31, 2007 of \$7.80 per share. This results in a total carrying value for the Visicu investment of \$26,113,799, producing an unrealized gain of \$22,513,808 on our cost basis of \$3,599,991 as of March 31, 2007. This valuation represents a decrease of \$11,382,939 from our valuation for Visicu as of December 31, 2006.

Value Computation:

Common Stock		
3,347,923 shares x \$7.80	=	<u>\$26,113,799</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Investment Valuation Summary
For the Quarter Ended March 31, 2007

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 03/31/07</u>	<u>Fair Value 12/31/06</u>	<u>Change from 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	50,000	0	
VISICU, Inc. (formerly ICUSA)	3,599,991	26,113,799	37,496,738	(\$11,382,939)	Share Price Decrease (note 1)
Total Portfolio	\$15,165,417	\$37,393,519	\$48,776,458	(\$11,382,939)	

(1) Cardinal holds 3,347,923 shares of Visicu common stock, all of which are unrestricted and freely tradable. These shares are valued at the closing market price for Visicu (Nasdaq:EICU) on March 31, 2007 of \$7.80 per share. The market value decrease for the period reflects the change in the market price from the closing price for Visicu as of December 31, 2006 of \$11.20 per share.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 1st Quarter, 2007

For fiscal 2007 (FYE 3/31), financial performance at AccentCare has shown substantial improvement. The company recorded revenues of \$135 million for the year, an increase of 34% over the prior year. EBITDA was \$3.4 million, an increase of \$2.2 million over fiscal 2006. Gross margins improved to 31%, primarily as a result of the SunPlus home health acquisition completed in December 2006. The company has been EBITDA positive and produced same store growth for 32 consecutive months. The forecast for fiscal 2008 shows revenues of \$193.4 million, producing EBITDA of \$9 million. Gross margins are expected to improve to 34%, with the company operating at cash flow positive for the first time in its history.

Financial results for the current quarter were the first to include the full impact of the SunPlus acquisition. Revenues for the period were \$45 million, \$1.3 million above forecast. Gross margins improved to 34% as compared to 30% for the prior quarter. This improvement reflects the impact of the higher margin home health division as a result of the SunPlus acquisition in December 2006. EBITDA for the quarter was \$1.1 million, \$550K below forecast due to severance costs related to the SunPlus acquisition, higher than forecast legal expenses related to the CA overtime litigation, and the amortization of settlement costs related to an acquired software license.

The investor syndicate bridged the company an additional \$2 million during the current quarter to support working capital and CA workers compensation reserve requirements. Management's forecast for fiscal 2008 shows that the company should be able to operate without additional financing, if they are within 75% of their EBITDA targets. AccentCare has made a remarkable turnaround over the last 3 years and we are cautiously optimistic about the future. However, it still remains to be seen if they can attain long-term profitability sufficient to produce a good return for the investors.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>FY04 Actual</i>	<i>FY05 Actual</i>	<i>FY06 Actual</i>	<i>FY07 Actual*</i>	<i>FY08 Budget</i>
Revenues	82,209	93,662	100,819	135,142	193,358
Cost of Services	62,978	68,834	72,965	93,077	127,138
Operating Expenses	24,533	24,727	27,327	39,628	59,140
EBIT	-5,302	+101	+527	+2,437	+7,080
Interest and Taxes	-1,910	-5,712	-2,457	-3,406	-5,022
Net Income	-7,212	-5,611	-1,930	-969	+2,058
EBITDA	-4,390	+1,024	+1,230	+3,405	+9,004

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	45,137	43,837	+1,300
Cost of Services	29,963	30,612	+649
Operating Expenses	14,520	12,091	-2,429
EBIT	+654	+1,134	-480
Interest and Taxes	-1,505	-1,307	-198
Net Income	-851	-173	-678
EBITDA	+1,074	+1,627	-553

Fiscal Year-to-Date: Twelve Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	135,142	130,782	+4,360
Cost of Services	93,077	92,065	-1,012
Operating Expenses	39,628	35,763	-3,865
EBIT	+2,437	+2,954	-517
Interest and Taxes	-3,406	-2,944	-462
Net Income	-969	+10	-979
EBITDA	+3,405	+3,923	-518

ACCENTCARE, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 5,881	Accounts Payable	\$ 4,580
Accounts Receivable	35,429	Accrued Expenses	13,186
Other Current Assets	<u>1,915</u>	Other Current Liabilities	<u>22,281</u>
Total Current Assets	43,225	Total Current Liabilities	40,047
Net PP&E	3,522	Long Term Liabilities	27,019
Intangibles (Net)	30,016	Shareholders Equity	61,643
Other Assets	<u>1,296</u>	Retained Earnings	<u>-50,650</u>
Total Assets	<u>\$78,059</u>	Total Liabilities & Equity	<u>\$78,059</u>

Comments:

Overall liquidity decreased by \$400K this quarter. The company is slightly behind its cash forecast for the year due to lower draws than forecast against the A/R line, plus payment of \$500K related to an acquisition earlier this year. Working capital needs will be supported by the A/R facility that currently has over \$7.6 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)	1.21%
Company Valuation at Cardinal Cost	\$371.0 million
Company Valuation at Assigned Fair Value	\$35.5 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 from this investment.

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

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 1st Quarter, 2007

Athena performed well in the first quarter of 2007, while continuing to undertake significant expenditures in infrastructure, sales and marketing to support future growth. The company missed its revenue target by 2%, but through tight expense control still achieved positive EBITDA for the fourth consecutive quarter. Gross margins improved to 51% as opposed to 46% last quarter. Net sales bookings for the period were \$6.2 million, increasing the net implementation backlog to over \$20 million in annualized recurring revenue. The company remains on track towards a goal of realizing an investor liquidity event during 2007.

Revenues for the quarter were \$21.9 million, 4% higher than the previous quarter, but 2% under budget. The revenue shortfall stemmed primarily revenue cycle implementation lags that occurred during the early part of the quarter. EBITDA for the quarter was \$408K, but \$242K below forecast due to increased overhead expenditures related to preparations for a potential public offering in 2007 plus higher marketing and sales expenditures. Total cash at the end of the quarter was \$7.1 million, \$250K ahead of plan as a result of good cash management for the period.

Athena has been EBITDA positive for four quarters running. The company has adequate capital resources to support operations plus forecast growth and infrastructure investment. The current annual revenue run rate is \$94.1 million with an implementation backlog of \$20.2 million. The company remains on track with its lead investment bankers, Goldman Sachs and Merrill Lynch, in its preparations for a potential initial public offering in 2007. We continue to view Athena as a very attractive candidate for a highly successful liquidity event in the next 12-18 months.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual</i>	<i>2007 Budget</i>
Revenues	24,666	38,938	53,540	75,813	101,012
Direct Expenses	15,396	20,512	27,545	36,530	50,146
SG&A	11,267	17,655	30,150	38,895	39,524
EBITDA	-1,997	771	-4,155	+388	+11,342
Depreciation	-2,894	-3,159	-5,483	-6,238	-6,087
Interest and Taxes	-475	-1,222	-1,755	-3,001	-2,730
Net Income	-5,366	-3,610	-11,393	-8,851	+2,525

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	21,947	22,463	-516
Direct Expenses	10,807	11,605	+798
SG&A	10,732	10,208	-524
EBITDA	+408	+650	-242
Depreciation	-1,564	-1,590	+26
Interest and Taxes	-1,514	-636	-878
Net Income	-2,670	-1,576	-1,094

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	21,947	22,463	-516
Direct Expenses	10,807	11,605	+798
SG&A	10,732	10,208	-524
EBITDA	+408	+650	-242
Depreciation	-1,564	-1,590	+26
Interest and Taxes	-1,514	-636	-878
Net Income	-2,670	-1,576	-1,094

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 7,096	A/P and Accrued Expenses	\$ 6,750
Accounts Receivable	10,674	Deferred Revenue	3,754
Other Current Assets	<u>1,773</u>	Current Portion of Debt	<u>13,547</u>
Total Current Assets	19,543	Total Current Liabilities	24,051
Net PP&E	12,993	Long Term Liabilities	29,799
Intangibles (Net)	1,610	Shareholders Equity	50,094
Other Assets	<u>3,382</u>	Retained Earnings	<u>-66,416</u>
Total Assets	<u>\$37,528</u>	Total Liabilities & Equity	<u>\$37,528</u>

Comments:

Athena is \$250K ahead of cash forecast for the year. The company continues to invest heavily in infrastructure to support future growth and in preparation for its potential IPO later this year. Operating cash requirements will be supported by existing debt facilities that currently have ~\$2 million available. Management expects to be operationally cash flow positive beginning in Q3 2007.

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	\$151.4 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, 2007

There is nothing new to report related to the Cardinal investment in Esurg Corporation. We are currently attempting to contact management and the other investors to ascertain interest in purchasing our shares for a minimal value.

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 was 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.nexcure.com}

eCare Tools for Chronic Disease Management

Period Summary: 1st Quarter, 2007

There is nothing new to report related to the Cardinal investment in NexCura. 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 continue to 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, 2007

Visicu (Nasdaq:EICU) reported significantly higher revenue and operating income for the first quarter of 2007 as compared to the same period in 2006. Revenue for the period was \$8.7 million, a 31% increase over 2006 revenue of \$6.7 million, and 11% higher than last quarter. Operating income for the quarter increased 212% over the prior year period, to \$1.4 million, resulting in a 16% operating margin. Operating income included non-cash stock-based compensation expense of \$685K and \$571K in 2006 and 2005, respectively. Net income for the first quarter of 2007 increased to \$2.0 million, or \$0.06 per diluted share, from \$314,000, or \$0.01 per diluted share last year. The company generated \$6.4 million in net positive cash flow during the quarter. Total revenue backlog at the end of the quarter amounted to \$70.1 million, a decrease of \$1 million over December 31, 2006. As of March 31, 2007, the company had \$129 million in cash and marketable securities.

Management reiterated its expectations for 2007 of 25% to 26% organic revenue growth, with operating margins, excluding estimated stock-based compensation and litigation expenses, forecast to be 25-26%. Diluted earnings per share are expected to be \$0.17-\$0.18, which includes an estimated tax-effected impact of \$0.09 per share in stock-based compensation and litigation expenses, up from \$0.05 per share in tax-effected stock-based compensation and litigation expenses in 2006. Net cash flow for the year is expected to be \$11 - \$15 million.

While the share price is currently suffering from a lack of confidence in the market relative to a perceived shortfall on new sales, the company has substantial capital resources and a strong cash flow business model and we remain confident the Visicu investment will produce an excellent return.

VISICU, INC. (cont.)

FINANCIAL SUMMARY: (\$000)

Statement of Operations:

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>03/31/07</u>	<u>03/31/06</u>	<u>12/31/06</u>	<u>12/31/05</u>
Revenues	8,740	6,669	30,245	18,352
Cost of Sales	1,646	1,403	5,757	3,866
Operating Expenses	<u>5,682</u>	<u>4,814</u>	<u>19,307</u>	<u>16,176</u>
Income (Loss) from Operations	+1,412	+452	+5,181	-1,690
Other Income (Expense)	+1,626	+138	+4,436	+331
Tax Benefit (Expense)	<u>-1,065</u>	<u>-276</u>	<u>-3,595</u>	<u>+11,072</u>
Net Income (Loss)	+1,973	+314	+6,022	+9,713
Diluted Earnings Per Share (\$)	+\$0.06	\$0.01	+\$0.18	+\$0.38

Summary Balance Sheet as of March 31, 2007:

Cash	\$129,331	Accounts Payable	\$ 1,940
Receivables	4,813	Accrued Compensation	968
Other Current Assets	<u>8,694</u>	Deferred Revenue	<u>28,670</u>
Total Current Assets	142,838	Total Current Liabilities	31,578
Net PP&E	1,535	Long Term Liabilities	16,873
Intangible & Other Assets	<u>11,030</u>	Shareholders Equity (Net)	<u>106,952</u>
Total Assets	<u>\$155,403</u>	Total Liabilities & Equity	<u>\$155,403</u>

Comments:

With proceeds of \$102.7 million from its IPO in April 2006, the company has more than adequate capital resources to support operations for the foreseeable future.

Cardinal Health Partners Holdings:

Common Stock	3,347,923 shares
Assigned Fair Value (3,347,923 x \$7.80)	\$26,113,799
Investment Cost	\$3,599,991
Cost per Share	\$1.075
% Ownership (Shares Outstanding)	10.3%
Company Valuation at Cardinal Cost	\$35.5 million
Company Valuation at Market (\$7.80 per share)	\$269.6 million