

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

2nd QUARTER, 2002

CARDINAL HEALTH PARTNERS, L.P.

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TO: The Limited Partners

FROM: John K. Clarke

DATE: August 31, 2002

SUBJECT: Activity for the Quarter ended June 30, 2002

During the second quarter, the portfolio demonstrated significant progress toward maturity and liquidity. The acquisition of TechRx by NDCHealth (NDC) will yield the most significant realization to date for the fund. The actual amount Cardinal Health Partners (Cardinal) will realize from this merger will not be known until May of 2003, but it will range from \$20-22 million on our \$4 million investment. A portion of the proceeds from the sale of our preferred holdings in TechRx to NDC was in cash and consequently Cardinal completed a cash distribution for a total of \$5.5 million in June.

Virtually all of our active portfolio companies had a very solid operational quarter. Highlights include NexCura completing a \$3.8 million financing, led by a new investor and VISICU adding \$3.4 million in a second closing to its Series C financing round. A synopsis of portfolio company activity for the quarter follows.

AccentCare – Financial performance for the quarter was on plan as the company integrated its largest acquisition to date. Annual revenue run rate now stands at \$44 million. At the urging of the investor syndicate, management has begun significant initiatives towards improving gross margins. A search for a strong operationally minded CEO is ongoing.

AthenaHealth – Sales for the period were on plan, partially compensating for the weak results from the prior quarter. The quality of sales continues to show improvement with the resulting improvement in gross margins. Athena is operating at a \$29 million annual run rate, with a very strong sales backlog reinforcing its recurring revenue business model.

Esurg – At the behest of the Board, management developed and has successfully implemented a restructuring plan to stretch the company's current capital resources to support operations for at least another 18-24 months. Management has done an excellent job maintaining morale and the integrity of the company's partner network.

MedContrax – During the quarter, the assets of the company were sold to NeoForma, Inc. for \$1.5 million in cash. After adjudication of all creditor claims, we currently estimate a recovery of 50-75% of the June \$35K promissory note for Cardinal.

Molecular Mining – Sales of the company's high end product released this quarter have exceeded forecast. Revenues from collaborations and sales of the company's other software products outside of North America have been disappointing, resulting in revenues missing plan. The company remains ahead of plan for the year in terms of net income and cash flow.

NexCura - The board-led turnaround of Nexcura appears to be nearing a successful outcome. As the quarter ended, the company closed on a \$3.8 million staged financing led by the venture arm of a major pharmaceutical company, and another institutional investor is concluding due diligence. During the quarter CEO Stephen George departed the company. We are in final negotiations with a top CEO candidate.

TechRx – On May 28th, TechRx reached agreement to merge with NDCHealth (NDC). As part of this agreement, Cardinal sold its preferred holdings in TechRx for \$6 million in cash and ~\$12 million in NDC common stock. Cardinal continues to hold TechRx common stock, warrants and options that will be valued at the close of the merger in May 2003. The valuation for these shares will be between \$2.1-\$4.1 million depending upon the achievement of specific milestones by TechRx over the next twelve months. At these levels, the TechRx investment will return over 5 times our investment.

Visicu – VISICU continued to generate significant positive momentum in the quarter. The company is well ahead of plan in all aspects of financial performance. Two major hospital systems clients were added during the quarter, which when implemented will quintuple the number of beds under management. The company has already surpassed its sales plan for the year. With renewed interest in the investor community, in June the company held a second closing of \$3.4 million to the January 2002 Series C financing, which now totals \$6.9 million.

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 follow-on investment totaling \$115K for NexCura and VISICU and cash receipts totaling \$6 million from the sale of TechRx. The final capital contribution for the fund totaling \$803K was completed in April. On June 24th, \$5.5 million in cash was distributed to the partners on the basis of their respective capital contributions accounts. Net Income for the quarter ended June 30, 2002, totaled \$8.0 million including \$400K in net operating expenses, \$1.5 million in net realized gains related to TechRx and Signature and \$6.9 million in net unrealized gains related to TechRx, NexCura and the reversal of a \$3.5 million previously unrealized loss on Signature.

Looking forward:

We remain confident that the portfolio has value potential 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.

The Limited Partner Annual Meeting has been scheduled for Monday, November 4th in New York City. Brandon, Lisa, John, Geoff and I hope to see many of you there. We appreciate your input and support.

CARDINAL HEALTH PARTNERS, L.P.
Income Statement
For the Period Ended June 30, 2002

	Three Months Ended 06/30/02	Six Months Ended 06/30/02
Revenue:		
Non Portfolio Income	\$6,879	\$7,326
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	388,208	776,416
Professional Fees	15,251	25,367
NVCA Dues & Expenses	2,587	2,587
Amortization of Organization Costs	0	0
Miscellaneous Expenses	655	695
Total Expenses	406,701	805,065
Net Operating Expense	(399,822)	(797,739)
Investment Income	7,928	15,733
Net Income Before Gains (Losses)	(391,894)	(782,006)
Realized Gains (Losses)	1,500,000	1,500,000
Unrealized Gains (Losses)	6,880,981	4,994,789
Net Income (Loss)	\$7,989,087	\$5,712,783

CARDINAL HEALTH PARTNERS, L.P.
Balance Sheet
As of June 30, 2002

ASSETS:	Period Ended 06/30/02	Period Ended 03/31/02
Cash and Short-Term Investments	\$468,200	\$45,436
Accrued Interest	34,245	41,463
Escrow for Investment	0	0
Venture Capital Investments	26,532,461	24,036,335
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	<u>217,694</u>	<u>214,082</u>
	<u><u>\$27,252,600</u></u>	<u><u>\$24,337,316</u></u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$19,775	\$396,363
Investment due Portfolio Company	0	0
Partners' Accounts	<u>27,232,825</u>	<u>23,940,953</u>
Total Liabilities and Capital	<u><u>\$27,252,600</u></u>	<u><u>\$24,337,316</u></u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of June 30, 2002

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>06/30/02</u>	<u>03/31/02</u>
Organization Costs	\$179,000	\$179,000
Accumulated Amortization	<u>(179,000)</u>	<u>(179,000)</u>
Total	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Note 3 - General Partner Promissory Notes:	<u>06/30/02</u>	<u>03/31/02</u>
GP Promissory Note Principal	\$217,694	\$214,082
Offset against Partners' Capital	<u>0</u>	<u>0</u>
Total	<u><u>\$217,694</u></u>	<u><u>\$214,082</u></u>

Note 4 - Accrued Expenses:	<u>06/30/02</u>	<u>03/31/02</u>
Accounting & Audit	\$9,000	\$4,500
Management Fees	0	388,208
NVCA Dues and Other	408	40
Legal & Other Professional Fees	<u>10,367</u>	<u>3,615</u>
Total	<u><u>\$19,775</u></u>	<u><u>\$396,363</u></u>

CARDINAL HEALTH PARTNERS, L.P.
Statement of Cash Flows
For the Period Ended June 30, 2002

	Three Months Ended 06/30/02	Six Months Ended 06/30/02
Cash flows from operating activities		
Net Income Before Gains (Losses)	(\$391,894)	(\$782,006)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	7,218	(587)
Net Organization Costs	0	0
Other Assets	0	0
Accrued Expenses & Payables	(376,588)	(6,686)
Net Cash used in Operating Activities	(761,264)	(789,279)
Cash flows from investing activities		
Purchases of venture capital investments	(115,144)	(250,048)
Sales of venture capital investments	6,000,000	6,122,984
Net cash used in investing activities	5,884,856	5,872,936
Cash flows from financing activities		
Cash contributions by partners	799,172	799,172
Cash distribution to partners	(5,500,000)	(5,500,000)
Net cash provided by financing activities	(4,700,828)	(4,700,828)
 Net Change in Cash and Short Term Investments	 422,764	 382,829
Cash and Short Term Investments, beginning	45,436	85,371
Cash and Short Term Investments, ending	<u>\$468,200</u>	<u>\$468,200</u>

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of June 30, 2002

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	3,736,363	3,771,267	1,000	(3,770,267)
Molecular Mining Corporation	0	1,000,000	1,000,000	2,046,400	1,046,400
NDCHealth, Inc.	0	2,000,000	2,000,000	7,870,238	5,870,238
NexCura (CancerFacts)	0	4,731,812	4,731,812	2,184,721	(2,547,091)
Pointshare Corporation	0	1,877,017	1,877,017	1,000	(1,876,017)
TechRx Incorporated	0	1,000,000	1,000,000	1,325,002	325,002
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	2,605,000	(1,445,000)
Totals	\$34,904	\$29,895,193	\$29,930,097	\$26,532,461	(\$3,397,636)

Cardinal Health Partners, L.P.
Statement of Partners' Contributions Accounts
As of June 30, 2002

	Partners' Total Subscription	Contributions Account 03/31/02	Period Contribution in Cash	Period Contribution by Note	Contributions Account 06/30/02	Partners' Outstanding Subscription
<u>Limited Partners</u>						
LACERA	\$10,000,000	\$9,870,637	\$129,363	\$0	\$10,000,000	\$0
Nassau Capital Funds	9,000,000	8,883,574	116,426	0	9,000,000	0
Robert Wood Johnson Foundation	7,500,000	7,402,966	97,034	0	7,500,000	0
State Teachers Ret. System of Ohio	6,992,127	6,902,426	89,701	0	6,992,127	0
Northwestern University	5,000,000	4,935,315	64,685	0	5,000,000	0
Fleet Growth Resources (Summit Bank)	5,000,000	4,935,315	64,685	0	5,000,000	0
Nat. Union Fire Ins. Co. of Pittsburgh	5,000,000	4,935,315	64,685	0	5,000,000	0
WIN 4 Holdings / BofA Capital Corp.	3,000,000	2,961,191	38,809	0	3,000,000	0
First Union National Bank Pension Plan	3,000,000	2,961,191	38,809	0	3,000,000	0
UNISYS	2,500,000	2,467,655	32,345	0	2,500,000	0
Venture Investment Associates II	2,000,000	1,974,128	25,872	0	2,000,000	0
S.R. One Limited	1,500,000	1,480,591	19,409	0	1,500,000	0
Hillside Capital Incorporated	1,000,000	987,067	12,933	0	1,000,000	0
	\$61,492,127	\$60,697,371	\$794,756	\$0	\$61,492,127	\$0
<u>General Partner</u>						
Cardinal Health Partners Mgmt.	621,133	613,105	4,416	3,612	621,133	0
Total Partnership	\$62,113,260	\$61,310,476	\$799,172	\$3,612	\$62,113,260	\$0

Cardinal Health Partners, L.P.
Statement of Partners' Distributive Share of Net Assets
For the Period Ended June 30, 2002

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 06/30/02
<u>Limited Partners</u>							
LACERA	\$3,004,573	\$1,267,090	\$75,377	\$40,563	\$4,387,603	(\$3,183)	\$4,384,420
Nassau Capital Funds	2,704,110	1,140,377	67,841	36,506	3,948,834	(2,865)	3,945,969
Robert Wood Johnson Foundation	2,253,435	950,319	56,534	30,421	3,290,709	(2,388)	3,288,321
State Teachers Ret. System. of Ohio	2,100,707	885,911	52,703	28,359	3,067,680	(2,226)	3,065,454
Northwestern University	1,502,277	633,541	37,688	20,281	2,193,787	(1,592)	2,192,195
Fleet Growth Resources (Summit Bank)	1,502,277	633,541	37,688	20,281	2,193,787	(1,592)	2,192,195
Natl. Union Fire Ins. Co. of Pittsburgh	1,502,277	633,541	37,688	20,281	2,193,787	(1,592)	2,192,195
WIN 4 Holdings LLC	901,372	380,127	22,613	12,168	1,316,280	(955)	1,315,325
First Union National Bank Pension Plan	901,372	380,127	22,613	12,168	1,316,280	(955)	1,315,325
UNISYS	751,140	316,771	18,845	10,140	1,096,896	(796)	1,096,100
Venture Investment Associates II	600,908	253,415	15,076	8,112	877,511	(637)	876,874
S.R. One Limited	450,693	190,066	11,308	6,084	658,151	(478)	657,673
Hillside Capital Incorporated	300,460	126,710	7,538	4,056	438,764	(318)	438,446
	\$18,475,601	\$7,791,536	\$463,512	\$249,420	\$26,980,069	(\$19,577)	\$26,960,492
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	186,622	78,702	4,688	2,519	272,531	(198)	272,333
Total Partnership	\$18,662,223	\$7,870,238	\$468,200	\$251,939	\$27,252,600	(\$19,775)	\$27,232,825

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Period Ended June 30, 2002

	Partners' Capital 01/01/02	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 06/30/02
<u>Limited Partners</u>									
LACERA	\$4,220,796	\$129,363	\$1,179	(\$127,078)	\$241,495	\$115,596	\$804,143	(\$885,478)	\$4,384,420
Nassau Capital Funds,	3,798,710	116,426	1,062	(114,371)	217,345	104,036	723,728	(796,931)	3,945,969
Robert Wood Johnson Foundation	3,165,592	97,034	885	(95,309)	181,121	86,697	603,107	(664,109)	3,288,321
State Teachers Ret. System of Ohio	2,951,798	89,701	825	(88,855)	168,856	80,826	562,267	(619,138)	3,065,454
Northwestern University	2,110,383	64,685	589	(63,540)	120,747	57,796	402,071	(442,740)	2,192,195
Fleet Growth Resources (Summit)	2,110,383	64,685	589	(63,540)	120,747	57,796	402,071	(442,740)	2,192,195
National Union Fire Ins. Co. of Pitt.	2,110,383	64,685	589	(63,540)	120,747	57,796	402,071	(442,740)	2,192,195
WIN 4 Holdings, LLC.	1,266,239	38,809	354	(38,124)	72,448	34,678	241,243	(265,644)	1,315,325
First Union Nat. Bank Pension Plan	1,266,239	38,809	354	(38,124)	72,448	34,678	241,243	(265,644)	1,315,325
UNISYS	1,055,190	32,345	295	(31,770)	60,374	28,899	201,036	(221,370)	1,096,100
Venture Investment Associates II	844,151	25,872	236	(25,416)	48,299	23,119	160,828	(177,096)	876,874
S.R. One Limited	633,126	19,409	177	(19,062)	36,224	17,339	120,621	(132,822)	657,673
Hillside Capital Incorporated	422,088	12,933	118	(12,708)	24,149	11,559	80,414	(88,548)	438,446
	\$25,955,078	\$794,756	\$7,252	(\$781,437)	\$1,485,000	\$710,815	\$4,944,843	(\$5,445,000)	\$26,960,492
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	48,096	4,416	74	(7,894)	15,000	7,180	49,947	(50,000)	54,639
Total Partnership	\$26,003,174	\$799,172	\$7,326	(\$789,331)	\$1,500,000	\$717,995	\$4,994,790	(\$5,500,000)	\$27,015,131

* - 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 June 30, 2002

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 06/30/02
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$27,485	(\$1,068,338)	(\$1,020,191)	(\$2,061,044)	(\$726,408)	(\$2,828,128)	\$0	\$4,384,420
Nassau Capital Funds	9,000,000	24,736	(961,506)	(918,173)	(1,854,943)	(653,765)	(2,545,323)	0	3,945,969
Robert Wood Johnson Foundation	7,500,000	20,614	(801,253)	(765,144)	(1,545,783)	(544,805)	(2,121,091)	0	3,288,321
State Teachers Ret. System of Ohio	6,992,127	19,222	(746,996)	(713,331)	(1,441,105)	(507,912)	(1,977,656)	0	3,065,454
Northwestern University	5,000,000	13,741	(534,170)	(510,097)	(1,030,526)	(363,202)	(1,414,077)	0	2,192,195
Fleet Growth Resources (Summit)	5,000,000	13,741	(534,170)	(510,097)	(1,030,526)	(363,202)	(1,414,077)	0	2,192,195
National Union Fire Ins. Co. of Pitts.	5,000,000	13,741	(534,170)	(510,097)	(1,030,526)	(363,202)	(1,414,077)	0	2,192,195
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	1,418	(135,863)	(617,746)	(752,191)	(667,906)	(265,644)	2,742,497	1,315,325
First Union National Bank Pension Plan	3,000,000	8,246	(320,501)	(306,058)	(618,313)	(217,921)	(848,441)	0	1,315,325
UNISYS	2,500,000	6,871	(267,084)	(255,048)	(515,261)	(181,601)	(707,038)	0	1,096,100
Venture Investment Associates II	2,000,000	5,497	(213,667)	(204,039)	(412,209)	(145,282)	(565,635)	0	876,874
S.R. One Limited	1,500,000	4,123	(160,250)	(153,029)	(309,156)	(108,961)	(424,210)	0	657,673
Hillside Capital Incorporated	1,000,000	2,748	(106,836)	(102,020)	(206,108)	(72,640)	(282,806)	0	438,446
	\$61,492,127	\$169,011	(\$6,569,442)	(\$6,273,382)	(\$12,673,813)	(\$4,466,822)	(\$17,391,000)	\$0	\$26,960,492
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,707	(1,310,294)	66,260	(1,242,327)	1,069,186	(175,659)	0	272,333
Total Partnership	\$62,113,260	\$170,718	(\$7,879,736)	(\$6,207,122)	(\$13,916,140)	(\$3,397,636)	(\$17,566,659)	\$0	\$27,232,825

TO: The Limited Partners
FROM: John J. Park
DATE: July 31, 2002
SUBJECT: Portfolio Valuations for June 30, 2002

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 June 30, 2002.

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 June 30, 2002. This valuation represents no change from the valuation as of March 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 \$86 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 June 30, 2002. This valuation represents no change from the valuation as of March 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 June 30, 2002
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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 June 30, 2002, 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 March 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. At this value, the investment shows an unrealized loss of \$3,770,267 on our cost basis of \$3,771,267 as of June 30, 2002. This valuation represents no change from the valuation as of March 31, 2002.

Value Computation:

Common Stock		
3,637 shares		\$ 0
Series A Convertible Preferred Stock		
134,286 shares		0
5% Convertible Note Payable		
\$34,904 Principal Face Value		<u>1,000</u>
Total Value	=	<u>\$1,000</u>

MOLECULAR MINING CORPORATION – In May 2001, Molecular Mining completed an \$8.3 million financing valuing the company at \$17 million post-money. A new investor, Sofinov, led this financing. Our investment is now valued at the Series B price of \$2.0464, resulting in an unrealized gain of \$1,046,400 on our cost basis of \$1,000,000. This valuation represents no change from the valuation as of March 31, 2002.

Value Computation:

Series A Convertible Preferred Stock		
1,000,000 shares x \$2.0464	=	<u>\$2,046,400</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of June 30, 2002
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NEXCURA – On June 30, 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, producing an unrealized loss for the period totaling \$47,091. At this value, the investment shows an accumulated unrealized loss of \$2,547,091 on our cost basis of \$4,731,812 as of June 30, 2002. Including the \$65,145 in new cash and accrued interest invested during the quarter, this valuation represents an increase of \$18,054 from the valuation as of March 31, 2002.

Value Computation:

Series B Convertible Preferred Stock		
10,224,654 shares x \$0.191	=	\$1,952,909
Series C Convertible Preferred Stock		
1,213,676 shares x \$0.191	=	<u>231,812</u>
Total Value		<u>\$2,184,721</u>

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. In the first quarter of 2002, Cardinal received a total of \$122,984 from the initial distributions of proceeds of the sale. Accordingly, we have reduced the cost basis in our Series C holding from \$2,000,001 to \$1,877,017 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 \$1,876,017 on our cost basis of \$1,877,017 as of June 30, 2002. This valuation represents no change from our carrying value as of March 31, 2002.

SIGNATURE CARE NETWORKS – During this quarter, the remaining investment was deemed worthless and written off, resulting in a realized loss of \$3,500,000, the reversal of a previously unrealized loss of \$3,499,500 and the reduction of the carrying value to \$0. This valuation represents a decrease of \$500 from our value as of March 31, 2002.

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of June 30, 2002
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TECHRX / NDCHEALTH – In May 2002, NDCHealth (NDC) acquired 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), with a market value of \$12 million. Cardinal continues to hold shares of TechRx common, warrants for TechRx common and options to purchase TechRx common. The NDC common stock is valued a 30% discount from the closing price per share on June 30, 2002 of \$27.90. The TechRx 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 combined carrying value of \$9,195,240 with a corresponding unrealized gain of \$6,195,240 on a cost basis of \$3,000,000. This valuation represents an increase of \$2,428,572 from the valuation for TechRx as of March 31, 2002.

Value Computation:

NDCHealth Common Stock		
402,982 shares x \$27.90 x 70%	=	\$7,870,238
TechRx Common Stock		
333,334 shares x \$3.00		1,000,002
TechRx Common Stock Warrants		
100,000 shares x \$2.00 (\$3.00 - \$1.00)	=	200,000
TechRx Common Stock Options		
80,000 shares x \$1.5625 (\$3.00 - \$1.4375)	=	<u>125,000</u>
Total Value		<u>\$9,195,240</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. However, in Q3 of 2001, after a lack of operational progress, we elected to reduce the carrying value for VISICU to one-half of the Series B price until operational results show substantial improvement or an independent financing event occurs. In June 2002, Cardinal invested \$50,000 in the insider-led Series C financing, which is valued 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. This valuation represents an increase of \$50,000 from our carrying value as of March 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 June 30, 2002

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 06/30/02</u>	<u>Fair Value 03/31/02</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)	3,771,267	1,000	1,000	0	
Molecular Mining	1,000,000	2,046,400	2,046,400	0	
NexCura (formerly CancerFacts.com)	4,731,812	2,184,721	2,166,667	18,054	New Financing (note 1)
Pointshare Corporation	1,877,017	1,000	1,000	0	
Signature Care Networks	0	0	500	(500)	Write-off (note 2)
TechRx Inc. / NDCHealth, Inc.	3,000,000	9,195,240	6,766,668	2,428,572	Sale of Preferred and Merger with NDC (note 3)
VISICU, Inc. (formerly ICUSA)	4,050,000	2,605,000	2,555,000	50,000	Follow-on Investment (note 4)
Total Portfolio	\$29,930,097	\$26,532,461	\$24,036,335	\$2,496,126	

- (1) On June 30th, Nexcura closed on a \$4 million Series C financing led by a new investor. The round was valued at \$11 million pre-money, slightly lower than our carrying value for NexCura prior to the financing, producing an unrealized loss of \$47,091 for the quarter. As part of the financing, the current investors converted their outstanding promissory notes plus accrued interest, and agreed to invest additional \$450K in three equal installments. Cardinal's portion is \$150K, of which \$50K was invested on the June 30th closing.
- (2) During the quarter, a formal dissolution of Signature was initiated, and the remaining investment value was written-off.
- (3) On May 28, 2002, an agreement of merger was reached between TechRx and NDC Health. Concurrent with this agreement, Cardinal sold its preferred stock holdings in TechRx for \$6 million in cash plus \$12 million in NDCHealth common stock (NYSE:NDC). The NDCHealth stock is unregistered and therefore restricted from sale under Rule 144 for one year. As a result of the sale of the preferred, Cardinal has realized a gain of \$5 million and recorded an unrealized gain of \$1,870,238. Cardinal continues to hold 333,334 shares of TechRx common stock, warrants for 100,000 shares of TechRx common stock and options for 80,000 shares of TechRx common stock. The TechRx common has an assigned carrying value of \$3 per share, producing an unrealized gain for the period totaling \$558,334.
- (4) During the quarter, Cardinal contributed \$50K to the second and final closing of the \$6.8 million Series C financing for VISICU.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 2nd Quarter 2002

The first quarter of Fiscal 2003 for AccentCare was characterized by solid financial performance as the company digested its largest acquisition to date. The company continued its search for an industry experienced CEO, with no clear-cut leader among the current candidates. In the meantime, Dave Barry has done a good job at the helm focusing the team on improvements to operational results.

Financial performance for the quarter was good with revenues essentially on plan and net income and operating cash flow coming in 10% ahead of plan. Revenues for the period were \$8.1 million vs. plan revenues of \$8.2 million. These figures include \$1.2 million for June from the recently completed acquisition of Just Right Home Care and Private Duty ("Just Right"), the company's largest acquisition to date. Operating margins were also on plan for the period. Operating expenses were 4% ahead of plan for the period as a result of generally lower overall spending in most categories. Combining these results produced a positive variance of \$120K for the period in net income.

During the period, management undertook a concerted effort to develop programs to improve operating margins. In April, the company was notified of a substantial increase in its workers' compensation rate by the State of California. This will have a significant impact on gross margins and management has implemented numerous initiatives to improve current practices, employee adherence to internal policies and better manage post-claim activity. In addition to the workers' compensation impact, gross margin on the newly acquired Just Right centers in June was lower than expected. Programs have been put in place to raise prices and manage carepartner costs in the Just Right centers.

The company is scheduled to close a small acquisition (2002 revenues of ~ \$1.2 million) of a skilled nursing services business located in Sacramento in July. Management also continues to explore acquisition opportunities in New York. The investor syndicate has counseled management to move cautiously on acquisitions and continue to focus more on improving current operational performance.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget</i>
Revenues	18,530	22,539	44,552
Cost of Services	12,117	15,103	30,502
Operating Expenses	14,894	14,635	16,455
EBIT	-8,481	-7,199	-2,405
Interest and Taxes	-264	465	-333
Net Income	-8,745	-6,734	-2,738

* - Subject to Audit

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	8,143	8,247	-104
Cost of Services	5,564	5,615	+51
Operating Expenses	3,599	3,757	+158
EBIT	-1,020	-1,125	+105
Interest and Taxes	-22	-36	+14
Net Income	-1,042	-1,161	+119

Fiscal Year-to-Date: Three Months Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	8,143	8,247	-104
Cost of Services	5,564	5,615	+51
Operating Expenses	3,599	3,757	+158
EBIT	-1,020	-1,125	+105
Interest and Taxes	-22	-36	+14
Net Income	-1,042	-1,161	+119

ACCENTCARE, INC. (cont.)

Summary Balance Sheet as of June 30, 2002: (\$000)

Cash	\$ 6,820	Accounts Payable	\$ 633
Accounts Receivable	5,044	Accrued Expenses	2,040
Other Current Assets	<u>647</u>	Other Current Liabilities	<u>1,000</u>
Total Current Assets	12,511	Total Current Liabilities	3,673
Net PP&E	940	Long Term Debt	3,761
Intangibles (Net)	17,431	Shareholders Equity	43,787
Other Assets	<u>56</u>	Retained Earnings	<u>-20,283</u>
Total Assets	<u>\$30,938</u>	Total Liabilities & Equity	<u>\$30,938</u>

Comments:

The company is behind plan for cash due to lower than expected borrowing levels (\$36K vs. \$2.1 million) on the company's credit facility. Operating cash flow has remained ahead of plan due to generally lower expenditures in all areas. The company is on target to meet management's Fiscal 2003 (FYE 3/31) budget projection that the company will attain cash flow break even in Q4 of this fiscal year. At the current rate, the company has adequate capital to support operations for 18 months.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	2,500,000 shares
Assigned Fair Value (2,620,837 CSE's x \$0.9215)	\$2,415,101
Investment Cost	\$2,500,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	1,176,472 shares
Assigned Fair Value (1,609,331 CSE's x \$0.9215)	\$1,482,999
Investment Cost	\$2,000,002
Cost per Share	\$1.70
% Ownership (Full Dilution)	7.14%
Company Valuation at Cardinal Cost	\$63.0 million
Company Valuation at Assigned Fair Value	\$54.6 million

Outlook:

We remain 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: 2nd Quarter 2002

Sales performance for the quarter met expectations, but did not fully compensate for the underperformance in the previous quarter. The result was lower than forecast YTD revenues and service implementations. Cash flow was behind forecast for the quarter, but on plan for the year.

Net sales for the current quarter were on plan at \$4.5 million. However, due to the weak sales results from Q1, net sales for the first six months of 2002 are 27% below plan. The quality of sales continues to show improvement, with higher margins in both service and implementation. The Siemens relationship continues to be a primary driver for new accounts. The company's sales pipeline for Q3 is robust with annual recurring revenue of \$27 million, nearly six times the Q3 sales budget of \$4.5 million.

June was a record month for implementations with 199 providers and over \$2.8 million in annual recurring revenue entering the system. Implementations for the quarter and YTD were over 20% behind plan due to the decreased sales from Q1 2002. Average implementation cycle time has remained at 5.5 months, but new sales are occurring primarily in established markets and therefore are expected to lead to shorter cycle times. Overall implementations for 2002 are now forecast to be \$2.2 million lower than budget.

Other financial performance metrics for the quarter were below plan as a result of the weaker than expected Q1 sales. Revenues were a record \$2.3 million for the quarter, but 33% below plan. Gross margin improved from 4% to 8% during the quarter. The positive trend in margins should continue as well-priced accounts sold in Q1 and Q2 are implemented. Operating Expenses are slightly lower than plan primarily from lower headcount. Combining these elements resulted in lower than expected net income and cash flow for the quarter. A \$2.5 million working capital line was put in place in June, bringing cash flow for the year in line with expectations.

While the financial results for the quarter were somewhat disappointing, the company continues to build momentum. Sales consistency remains a priority and the company has initiated a search for an experienced Senior Vice President of Sales to guide the effort.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2000 Actual</i>	<i>2001 Preliminary*</i>	<i>2002 Budget</i>
Revenues	2,580	3,819	17,960
Direct Expenses	4,242	6,480	10,923
SG&A	6,833	10,914	11,489
EBIT	-8,495	-13,575	-4,452
Interest and Taxes	347	844	-21
Net Income	-8,148	-12,731	-4,473

* Subject to Audit

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	2,318	3,805	-1,487
Direct Expenses	2,455	2,581	+126
SG&A	2,725	2,783	+58
EBIT	-2,862	-1,559	-1,303
Interest and Taxes	-3	-2	-1
Net Income	-2,865	-1,561	-1,304

Fiscal Year-to-Date: Six Months Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	4,439	5,770	-1,331
Direct Expenses	4,599	4,774	+175
SG&A	5,245	5,423	+178
EBIT	-5,405	-4,427	-978
Interest and Taxes	21	45	-24
Net Income	-5,384	-4,382	-1,002

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of June 30, 2002: (\$000)

Cash	\$ 12,576	Accounts Payable	\$ 392
Accounts Receivable	1,250	Accrued Expenses	1,178
Other Current Assets	<u>499</u>	Other Current Liabilities	<u>1,139</u>
Total Current Assets	14,325	Total Current Liabilities	2,709
Net PP&E	2,953	Long Term Debt - Lease line	4,385
Intangibles (Net)	0	Shareholders Equity	43,332
Other Assets	<u>1,735</u>	Retained Earnings	<u>-31,413</u>
Total Assets	<u>\$19,013</u>	Total Liabilities & Equity	<u>\$19,013</u>

Comments:

The company has more than adequate capital to support operations through 2003. Cash burn for the year is 4% behind plan, due primarily to lower than forecast revenues. Management has revised its expectations for attaining cash flow breakeven from late 2002 to April 2003. At that time, management forecasts the cash balance to be just over \$7 million.

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 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
Seattle, WA
{www.esurg.com}

Online Supplies for Outpatient Surgery Centers

Period Summary: 2nd Quarter 2002

Under the direction of the Board of Directors, during the quarter management developed and implemented a restructuring plan for Esurg with the goal of stretching current capital resources to support operations for at least 24 months. The plan calls for a 60% reduction in personnel over the next 90 days, maintain operating expenses under \$320K per month by the end of the year and holding gross margins at or above 11%.

Financial performance for the quarter was encouraging as revenues and margins were ahead of plan. Operating expenses were exacerbated by one-time severance costs related to the restructuring. Monthly operating cash burn has been reduced below \$500K and is expected to be below \$320K by the end of next quarter.

During the quarter, the company received \$4.5 million from the planned second installment of the Series D financing completed in August 2001. With this capital, management has the opportunity to deliver on its new operating plan. Results so far indicate that customer retention is better than expected and employee morale is good. The company's partnerships have also been unaffected as a result of proactive actions by the management team.

Management will continue dialogue with potential new partners in an effort to increase sales channels for Esurg and provide greater operational stability. Discussions are continuing on multiple fronts for an additional or "backup" fulfillment partner to Allegiance. Management and the investors also continue to make a concerted effort to sell or partner the company with an established player in the distribution or healthcare services sector.

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

Overview: (FYE 12/31)

	<i>2000 Actual</i>	<i>2001 Actual*</i>	<i>2002 Budge**</i>
Revenues	806	5,339	7,628
Cost of Sales	830	5,278	6,832
Operating Expenses	12,015	12,148	9,004
EBIT	-12,039	-12,087	-8,208
Interest and Taxes	656	304	267
Net Income	-11,383	-11,783	-7,941

* Subject to Audit

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	2,573	2,448	+125
Cost of Sales	2,308	2,234	-74
Operating Expenses	3,056	2,564	-492
EBIT	-2,791	-2,350	-441
Interest and Taxes	31	48	-17
Net Income	-2,760	-2,302	-458

Fiscal Year-to-Date: Six Months ended June 30, 2002

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	4,928	4,803	+125
Cost of Sales	4,387	4,313	-74
Operating Expenses	5,616	5,124	-492
EBIT	-5,075	-4,634	-441
Interest and Taxes	116	133	-17
Net Income	-4,959	-4,501	-458

** Budget revised – May 2002

ESURG CORPORATION (cont.)

Summary Balance Sheet as of June 30, 2002: (\$000)

Cash	\$ 6,756	Accounts Payable	\$ 618
Accounts Receivable	1,148	Accrued Expenses	329
Other Current Assets	<u>683</u>	Other Current Liabilities	<u>614</u>
Total Current Assets	8,587	Total Current Liabilities	1,561
Net PP&E	1,831	Long Term Debt	0
Intangibles (Net)	756	Shareholders Equity	40,902
Other Assets	<u>1,421</u>	Retained Earnings	<u>-29,868</u>
Total Assets	<u>\$12,595</u>	Total Liabilities & Equity	<u>\$12,595</u>

Comments:

The company is behind its cash plan by 10% as a result of higher than expected accounts receivable balances and prepayment timing for fulfillment related services. Cash burn is trending favorably and is expected to be under \$320K per month by the end of Q3 2002. During the quarter, the company received the scheduled \$4.5 million second tranche from the Series D financing.

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%
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Company Valuation at Cardinal Cost	\$100.0 million
Company Valuation at Assigned Fair Value	Minimal

Outlook:

We are guarded in our return expectations on our investment in Esurg.

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

Wholesale Price Clearing House for Pharmaceuticals Market

Period Summary: 2nd Quarter 2002

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 is set to close 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 take six to nine months to reach a conclusion and for the court to distribute the proceeds to the creditors. At this time, we expect to get no return on our equity investment.

Cardinal Health Partners Holdings:

Common Stock	3,637 shares
Assigned Fair Value	\$0
Investment Cost	\$3,636,363
Cost per Share	\$1,000.00
Series A Convertible Preferred Stock	134,286 shares
Assigned Fair Value	\$0
Investment Cost	\$100,000
Cost per Share	\$0.75
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: 2nd Quarter 2002

Financial results for Q2 2002 were behind plan due mostly to underperformance in collaborations and software sales outside North America. During the quarter the company announced the successful completion of the IBM co-marketing arrangement and the MMC discoveries collaboration with the University of California at San Francisco to investigate the effects of interferon β (IFNB) therapy on multiple sclerosis patients.

YTD Product sales through June are 60% of budget. The company's high-end product, Genelinker™ Platinum, which was released during the quarter, has outperformed forecasts and has been well received in the marketplace. Sales of the Genelinker™ Gold product outside of North America, particularly Europe, continue to be the main downfall on the revenue side. A solid second quarter for North American Gold sales has brought the region close to plan. The company has experienced some competitive reaction in the marketplace tailored to attack specific weaknesses in the Gold product. All of these issues are being addressed in R&D with improved functionality to roll out in two phases over July and September. Distribution and OEM relationships outside of North America continue to be slow to develop. The IBM partnership has introduced the company to potential partners in Germany and Asia. Management is working on additional co-marketing arrangements with Motorola, Affymetrix and Spotfire.

Revenue generating collaborations were \$108K below plan due to slippage in closing two significant deals with J&J and Avalon. Management believes that these are timing issues and do not represent lost revenue. They remain confident in their ability to close sufficient collaborative deals in Q3 and Q4 to bring the company close to its revenue targets by year-end. The collaborations pipeline has increased over 50% during the quarter, with an even stronger growth in later-stage discussions. New marketing initiatives developed by the team is focusing program offerings in predictive toxicology, personalized medicine, target discovery and drug screening. These efforts appear to be bearing fruit.

During the quarter, management has continued to keep expenses in line with the development of its sales channels. Expenses for the period were 9% higher than plan primarily from one-time expenditures related to moving into new offices and unforecasted cost of sales for the hardware associated with Platinum sales. The company remains ahead of plan for the year in terms of net income and cash flow.

The investor syndicate has begun a concerted effort to explore strategic relationships with other bioinformatics companies. Multiple companies have been contacted and initial meetings have begun with potential merger and/or top-branded co-marketing targets.

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

Overview: (FYE 12/31)

	<i>2000 Actual</i>	<i>2001 Actual</i>	<i>2002 Budget</i>
Revenues	39	131	3,506
Cost of Sales	0	20	0
Operating Expenses	1,516	3,261	5,544
EBIT	-1,477	-3,150	-2,038
Interest and Taxes	93	211	137
Net Income	-1,384	-2,939	-1,901

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	248	506	-258
Cost of Sales	87	0	-87
Operating Expenses	1,466	1,416	-50
EBIT	-1,305	-910	-395
Interest and Taxes	16	36	-20
Net Income	-1,289	-874	-415

Fiscal Year-to-Date: Six Months Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	310	598	-288
Cost of Sales	87	0	-87
Operating Expenses	2,354	2,495	+141
EBIT	-2,131	-1,897	-234
Interest and Taxes	35	85	-50
Net Income	-2,096	-1,812	-284

MOLECULAR MINING CORPORATION (cont.)

Summary Balance Sheet as of June 30, 2002: (\$000)

Cash	\$ 2,981	Accounts Payable	\$ 65
Accounts Receivable	304	Accrued Expenses	194
Prepaid Expenses	<u>55</u>	Notes Payable	<u>0</u>
Total Current Assets	3,340	Total Current Liabilities	259
Net PP&E	282	Long Term Debt	0
Intangibles (net)	187	Shareholders Equity	10,282
Other Assets	<u>0</u>	Retained Earnings	<u>-6,732</u>
Total Assets	<u>\$ 3,809</u>	Total Liabilities & Equity	<u>\$ 3,809</u>

Comments:

Cash burn for the quarter was 10% higher than plan, primarily related to moving into new offices and a one-time negative currency exchange of \$47K. Cash balance remains ahead of plan and the company has adequate capital to support operations through the first quarter of 2003.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	1,000,000 shares
Assigned Fair Value (\$2.0464 x 1,000,000)	\$2,046,400
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)	11.5%
Company Valuation at Cardinal Cost	\$8.7 million
Company Valuation at Assigned Fair Value	\$18.0 million

Outlook:

We are cautiously optimistic about the prospects for Molecular Mining.

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

eCare Tools for Chronic Disease Management

Period Summary: 2nd Quarter 2002

We are delighted to report that on June 30th, NexCura closed on a \$3.9 million staged financing that provides the company with ample working capital for the next 18 months. The financing was led by a \$3 million investment from a new investor, the venture arm of leading pharmaceutical manufacturer. The financing will be funded in two stages, with one-half at close and the other half upon the attainment of specific milestones. The existing investors contributed the remaining \$900K to the round, including conversion of \$550K in convertible promissory notes. Cardinal has committed \$150K in new money to the financing, \$50K of which was invested at the initial closing.

The financing carried a pre-money value of \$11 million, including an enhancement to the existing management stock option pool. After accounting for the anti-dilution protection afforded the Series B preferred, this valuation closely approximates our prior period carrying value for NexCura. The resulting effect is an unrealized loss for the period on our prior holdings totaling \$47K.

For most of 2002, the company had met or exceeded its revenue and sales forecasts. However, the loss of a major client (\$350K) in June, due to an unfavorable FDA review for a new drug candidate, resulted in revenues for the quarter coming in 27% lower than forecast. The company has numerous new engagements that are close to approval or in review with a high degree of confidence for closing in Q3/Q4. Expenses have been kept relatively in-line with sales and revenue growth and are under budget by over 10%. The company has operated at cash flow break even for the first six months of 2002.

During the quarter, CEO Stephen George departed the company. A subcommittee of the board, chaired by Cardinal Director Brandon Hull, has been running the company until a replacement CEO is identified. Several strong candidates are in the final stages of due diligence, and we are highly confident that the search will have a swift and successful conclusion.

Overall, the company has continued to build on its momentum established over the last year and we are encouraged by their progress. As the quarter ended, an established institutional investor expressed interest in making a significant addition to the Series C financing.

NEXCURA, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2000 Actual</i>	<i>2001 Actual*</i>	<i>2002 Budget</i>
Revenues	440	1,978	5,067
Cost of Sales	0	0	140
Operating Expenses	7,882	4,109	4,744
EBIT	-7,442	-2,131	183
Interest and Taxes	-220	105	-87
Net Income	-7,662	-2,026	96

* Subject to Audit

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	855	1,177	-322
Cost of Sales	10	33	+23
Operating Expenses	1,016	1,181	+165
EBIT	-171	-37	-134
Interest and Taxes	-39	0	-39
Net Income	-210	-37	-173

Fiscal Year-to-Date: Six Months ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,456	2,035	-579
Cost of Sales	19	56	+37
Operating Expenses	2,085	2,336	+251
EBIT	-648	-357	-291
Interest and Taxes	-64	0	-64
Net Income	-712	-357	-355

NEXCURA, INC. (cont.)

Summary Balance Sheet as of June 30, 2002: (\$000)

Cash	\$ 318	Accounts Payable	\$ 265
Accounts Receivable	100	Accrued Expenses	11
Other Current Assets	<u>58</u>	Deferred Revenue	<u>979</u>
Total Current Assets	476	Total Current Liabilities	1,255
Net PP&E	292	Long Term Debt	614
Intangibles (Net)	0	Shareholders Equity	13,613
Other Assets	<u>148</u>	Retained Earnings	<u>-14,566</u>
Total Assets	<u>\$ 916</u>	Total Liabilities & Equity	<u>\$ 916</u>

Comments:

The cash balance above does not reflect the \$1.5 million initial closing of the Series C financing. The company has been operating at cash flow break even for the first six months of 2002.

Cardinal Health Partners Holdings:

Series B Convertible Preferred Stock	5,184,331 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 (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	\$ million

Outlook:

The company continues to make progress and we are becoming more optimistic about the prospects for NexCura.

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

Infrastructure Application Provider for Physician Practices

Period Summary: 2nd Quarter 2002

There is no new activity to report concerning PointShare for this quarter. Currently, there remains \$640K 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 4.285%. 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

SIGNATURE CARE NETWORKS
(formerly Signature Plastic Surgery, Inc.)
Marlton, NJ
{www.signaturesurgery.com}

Internet Based Services for Cosmetic Surgery Practices

Period Summary: 2nd Quarter 2002

As the quarter ended, company counsel has informed us that the legal obstacles for completing the dissolution of the company have been resolved. Completion of final tax and regulatory filings for Signature will occur in the coming quarter, followed by the formal dissolution of the company.

TECHRX INCORPORATED / NDCHEALTH
Pittsburgh, PA
{www.tech-rx.com} {www.ndchealth.com}

Leading Software Systems for High Volume Prescription Fulfillment

Period Summary: 2nd Quarter 2002

We are very happy to report the single largest realization event in the Cardinal portfolio to date. On May 28, 2002, an agreement of merger between TechRx and NDCHealth was completed. NDCHealth, formerly National Data Corporation, is a leading provider of health information services to pharmacy, hospital, physician, pharmaceutical and payer businesses. The transaction has two components that will net Cardinal from \$20-22 million on its holdings when completed in May of 2003. This represents a return of 5 times our investment of \$4.2 million.

The transaction consisted of two parts. First, NDC acquired a controlling interest through the purchase of stock from a series of specific investors in separate transactions (controlling interest transactions). Concurrently, NDC executed an agreement of merger, giving NDC the right to acquire the remaining interest in TechRx in May, 2003. The purchase price for the balance of the TechRx equity outstanding will be determined by a formula based on achievement of specific operating milestones and financial objectives, and ranges from a minimum of \$4.00 to a maximum of \$8.00 per share.

As part of the controlling interest transactions, NDC acquired all of Cardinal's holdings of TechRx Series B Convertible Preferred Stock for \$6 per share in a combination of cash and stock. At closing, Cardinal received \$6 million in cash plus 402,892 shares of NDC common stock (NYSE:NDC), valued at \$12 million as of May 28, 2002. The common stock is unregistered and therefore subject to Rule 144 restrictions on sale. Accordingly, we are prohibited from sale of any of these securities for one year after receipt. NDC has agreed to "piggy back" these shares in any registration statement for a sale of securities to the public. Cardinal continues to hold 333,334 shares of TechRx common stock and warrants and options to acquire another 180,000 shares. These shares are subject to the merger agreement and will be exchanged for shares of NDC common on the one-year anniversary of the merger based upon the formula described above. As a result of all of these transactions, in the current quarter Cardinal has realized a gain of \$5 million on the sale of the Series B preferred stock and recorded an unrealized gain totaling \$3.4 million on the remaining holdings.

Going forward, TechRx operational results will now be consolidated with NDC. The attached financial information reflects the consolidated financial reports for NDCHealth, Inc. for the fiscal period ended May 31, 2002.

We are quite pleased with the results from our investment in TechRx and applaud management's tireless efforts to attain the best results for its shareholders.

TECHRX INCORPORATED / NDCHEALTH (cont.)

FINANCIAL RESULTS: (\$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

Last Three Months: Quarter Ended May 31, 2002

	<i>FY01 Actual</i>	<i>FY02 Actual</i>
Revenues	88,439	94,504
Cost of Revenue	43,464	47,588
Operating Expenses	20,468	19,369
Goodwill Amortization	9,163	5,948
EBIT	15,344	21,599
Interest, Taxes and Other	11,288	37,486
Net Income	4,056	-15,887

Summary Balance Sheet as of May 31, 2002:

Cash	\$ 13,447	Accounts Payable	\$ 76,047
Accounts Receivable	70,451	Current Obligations	105,165
Other Current Assets	<u>45,474</u>	Deferred Income	<u>21,089</u>
Total Current Assets	129,372	Total Current Liabilities	202,301
Net PP&E	101,566	Long Term Obligations	153,689
		Other Liabilities	22,592
Intangible Assets (Net)	377,322	Shareholders Equity	255,408
Other Assets	<u>49,924</u>	Retained Earnings	<u>54,194</u>
Total Assets	<u>\$658,184</u>	Total Liabilities & Equity	<u>\$658,184</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 June 30, 2002 for NDCHealth common stock was \$27.90.

	High	Low
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
Quarter ended 08/31/01	\$38.99	\$29.00

Cardinal Health Partners Holdings:

NDCHealth Common Stock	402,982 shares
Assigned Fair Value (402,982 x \$27.90 x 70%)	\$7,870,238
Investment Cost	\$2,000,000
Cost per Share	\$4.963
TechRx Common Stock	333,334 Shares
Assigned Fair Value (333,334 x \$3.00)	\$1,000,002
Investment Cost	\$1,000,000
Cost per Share	\$3.00
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
TechRx Common Stock Options	
Assigned Fair Value ([80,000 x \$3.00] – [80,000 x \$1.4375])	\$125,000
Blended Average Exercise Price Per Share	\$1.4375
% Ownership of NDCHealth Common (Full Dilution)	1.37%
Company Valuation at Cardinal Cost	\$234 million
Company Valuation at Market Value (\$27.90 per share)	\$968 million

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

Remote Monitoring Services for Intensive Care Hospital Units

Period Summary: 2nd Quarter 2002

The second quarter saw the realization of results from the positive momentum generated by the company and new CEO Frank Sample over the last nine months. During the quarter VISICU signed two significant new hospital clients, New York-Presbyterian Healthcare System and the Sutter system in California. Management has exceeded its own expectations, closing on an additional \$3.4 million during the quarter, in a second closing of its Series C financing round.

The contract with New York-Presbyterian Healthcare System is for a total of 100 beds at two ICU's in New York Metropolitan area. Implementation will be completed in July, with revenues for 2002 expected to be \$2.5 million. The contract with Sutter was completed in late June. It is a layered contract, implementing in succession three eICU's in Sacramento (94 beds), East Bay San Francisco (86 beds) and West Bay San Francisco (60 beds). The total value of the contract is \$7.6 million. Implementation will occur in stages beginning with Sacramento in July and ending with East Bay in April of 2003. Assuming implementation of these new beds goes according to plan, management will exceed its revenue and income forecast for 2002.

For the quarter, revenues were \$614K, 50% better than plan. Gross margin was much better than forecast, due to the earlier than forecast switch at Sentara to the higher margin eVantage model. The favorable operating expense variances are attributable primarily to reduced headcount compared to budget, and a lower travel costs. Management continues to do an excellent job of keeping expenses down until additional revenue generating contracts have been implemented.

In January 2002, the company completed a \$3.5 million financing on terms substantially similar to the June 2000, Series B financing. A second closing of the financing totaling \$3.4 million occurred on June 28th, bringing the total round to \$6.9 million. Cardinal has invested \$50K in the second closing of the financing. The financing will support operations for at least 18 months and most likely to cash flow positive.

Overall, CEO Frank Sample has done an excellent job of building momentum and renewed vigor at the company since coming on board last summer. VISICU is quickly becoming a star in the portfolio.

VISICU, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2000 Actual</i>	<i>2001 Actual</i>	<i>2002 Budget</i>
Revenues	592	1,429	6,505
Cost of Sales	1,046	1,824	4,066
Operating Expenses	6,210	7,049	6,939
EBIT	-6,664	-7,444	-4,500
Interest and Taxes	262	232	15
Net Income	-6,402	-7,212	-4,485

Last Three Months: Quarter Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	614	403	+211
Cost of Sales	406	381	-25
Operating Expenses	1,814	1,856	+42
EBIT	-1,606	-1,834	+228
Interest and Taxes	3	-8	+11
Net Income	-1,603	-1,842	+239

Fiscal Year-to-Date: Six Months Ended June 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	989	737	+252
Cost of Sales	767	738	-29
Operating Expenses	3,461	3,677	+216
EBIT	-3,239	-3,678	+439
Interest and Taxes	17	16	+1
Net Income	-3,222	-3,662	+440

VISICU, INC. (cont.)**Summary Balance Sheet as of June 30, 2002: (\$000)**

Cash	\$ 4,890	Accounts Payable	\$ 127
Accounts Receivable	624	Accrued Expenses	525
Prepaid Expenses	<u>127</u>	Deferred Revenue	<u>346</u>
Total Current Assets	5,641	Total Current Liabilities	998
Net PP&E	970	Note Payable & LTD	12
Deferred Costs	31	Shareholders Equity	27,916
Other Assets	<u>98</u>	Retained Earnings	<u>-22,186</u>
Total Assets	<u>\$ 6,740</u>	Total Liabilities & Equity	<u>\$ 6,740</u>

Comments:

Cash flow for the quarter was on plan. The company completed a \$3.4 million second closing of its Series C financing during the quarter. The company now has ample operating capital to support operations through 2003 and into cash flow positive status.

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 (cost)	\$50,000
Investment Cost	\$50,000
Cost per Share	\$1.37
% Ownership (Full Dilution)	13.3%
Company Valuation at Cardinal Cost	\$30.8 million
Company Valuation at Assigned Fair Value	\$19.8 million

Outlook:

With ample operating capital and recent success in landing new customers, we are very optimistic about the prospects for our investment in VISICU.