

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

3rd QUARTER, 2002

CARDINAL HEALTH PARTNERS, L.P.

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TO: The Limited Partners

FROM: John K. Clarke

DATE: October 31, 2002

SUBJECT: Activity for the Quarter ended September 30, 2002

During the quarter, the portfolio continued to make significant progress toward maturity and liquidity. Virtually all of our active portfolio companies had a very solid operational quarter. AccentCare and Athena both now have a clear vision on attaining cash flow break-even. NexCura successfully completed its CEO search and VISICU continued its stellar run of sales success. A synopsis of portfolio company activity for the quarter follows.

AccentCare – Solid financial performance and the hopeful near term culmination of its CEO search characterized the second quarter of Fiscal 2003 for AccentCare. Annual revenue run rate now stands at \$46 million. The company is progressing steadily towards its cash flow break-even point, which we expect will occur in early calendar 2003.

AthenaHealth – While sales were disappointing for the quarter, Athena is just \$4 million in new sales from attaining its break-even point. The quality of sales continues to show improvement with the resulting improvement in gross margins. Athena is now operating at a \$15 million annual run rate, with a very strong sales backlog reinforcing its recurring revenue business model.

Esurg – Financial Performance for Esurg during the quarter continued to exceed plan by a healthy margin as the skeleton team tasked with restructuring and selling the company does an outstanding job of managing costs and growing repeat sales. However, discussions with potential buyers have been discouraging and we are growing more pessimistic about the exit prospects for Esurg.

MedContrax – Last 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. Our counsel has informed us that the equity holders will receive no return on their investment.

Molecular Mining – Sales of the company's software products have been disappointing, leading to a refocusing of the sales effort to building a profitable North America only franchise. Revenues from collaborations exceeded forecast and the company remains ahead of plan for the year in terms of cash flow. Management has been given a clear mandate to attain profitability by mid-2003.

NexCura - On the heels of its successful fund raising last quarter, Nexcura completed another of its important objectives in the third quarter with the hiring of CEO Peter Hoover. Peter is a veteran of the pharmaceutical data industry, most recently as head of Quintiles Informatics. Success will depend on Peter's ability to re-direct a fatigued management team, make several new key hires, and continue to build on the company's early success with pharmaceutical customers.

TechRx/NDCHealth – Results for the first quarter of Fiscal 2003 (FYE 5/31) at NDCHealth were in line with expectations. The company reported net income of \$11.1 million, or \$0.32 per share, on revenues of \$100 million. Fiscal 2003 earnings are expected to be \$1.55 to \$1.57 per share, a 260% increase over Fiscal 2002. Our holdings are restricted from sale until June 2003.

Visicu – VISICU had another excellent quarter extending its run of sales success and moving into implementation with several major customers. The pipeline of sale prospects has been building very strongly over the past several quarters and the company has enjoyed a remarkable level of interest from almost every hospital system that that it markets. The company is earning success in establishing a growing market position as a truly next generation healthcare company.

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 one follow-on investment totaling \$115K for NexCura. Net loss for the quarter totaled \$3.8 million including \$371K in net operating expenses and \$3.8 million in net unrealized gains related to the market price decrease for NDCHealth. The cash balance at the end of the period was \$112,046, with net assets totaling \$23.4 million.

Looking forward:

We remain confident that the portfolio has value potential substantially beyond that of our current carrying value. We are diligently pursuing all avenues to realize that value in the portfolio by working closely with company management and exploring all alternatives in order to ensure the best return for our investors.

The Limited Partner Annual Meeting is scheduled for Monday, November 4th at the St. Regis Hotel 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 September 30, 2002

	Three Months Ended 09/30/02	Nine Months Ended 09/30/02
Revenue:		
Non Portfolio Income	\$1,953	\$9,279
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	388,208	1,164,624
Professional Fees	5,035	30,402
NVCA Dues & Expenses	0	2,587
Amortization of Organization Costs	0	0
Miscellaneous Expenses	74	769
Total Expenses	393,317	1,198,382
Net Operating Expense	(391,364)	(1,189,103)
Investment Income	19,800	35,532
Net Income Before Gains (Losses)	(371,564)	(1,153,571)
Realized Gains (Losses)	(3,736,363)	(2,236,363)
Unrealized Gains (Losses)	252,584	5,247,374
Net Income (Loss)	(\$3,855,343)	\$1,857,440

CARDINAL HEALTH PARTNERS, L.P.

Balance Sheet

As of September 30, 2002

ASSETS:	Period Ended 09/30/02	Period Ended 06/30/02
Cash and Short-Term Investments	\$112,046	\$468,200
Accrued Interest	5,778	34,245
Escrow for Investment	0	0
Venture Capital Investments	23,163,682	26,532,461
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	210,051	217,694
	<u>\$23,491,557</u>	<u>\$27,252,600</u>
LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$114,075	\$19,775
Investment due Portfolio Company	0	0
Partners' Accounts	23,377,482	27,232,825
Total Liabilities and Capital	<u>\$23,491,557</u>	<u>\$27,252,600</u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of September 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>09/30/02</u>	<u>06/30/02</u>
Organization Costs	\$179,000	\$179,000
Accumulated Amortization	<u>(179,000)</u>	<u>(179,000)</u>
Total	<u>\$0</u>	<u>\$0</u>

Note 3 - General Partner Promissory Notes:	<u>09/30/02</u>	<u>06/30/02</u>
GP Promissory Note Principal	\$217,694	\$214,082
Offset against Partners' Capital	<u>0</u>	<u>0</u>
Total	<u>\$217,694</u>	<u>\$214,082</u>

Note 4 - Accrued Expenses:	<u>09/30/02</u>	<u>06/30/02</u>
Accounting & Audit	\$13,500	\$4,500
Management Fees	100,000	388,208
NVCA Dues and Other	40	40
Legal & Other Professional Fees	<u>535</u>	<u>3,615</u>
Total	<u>\$114,075</u>	<u>\$396,363</u>

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

	Three Months Ended 09/30/02	Nine Months Ended 09/30/02
Cash flows from operating activities		
Net Income Before Gains (Losses)	(\$371,564)	(\$1,153,570)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	28,468	27,881
Net Organization Costs	0	0
Other Assets	0	0
Accrued Expenses & Payables	94,299	87,613
Net Cash used in Operating Activities	<u>(248,797)</u>	<u>(1,038,076)</u>
Cash flows from investing activities		
Purchases of venture capital investments	(115,000)	(365,048)
Sales of venture capital investments	0	6,122,984
Net cash used in investing activities	<u>(115,000)</u>	<u>5,757,936</u>
Cash flows from financing activities		
Cash contributions by partners	7,643	806,815
Cash distribution to partners	0	(5,500,000)
Net cash provided by financing activities	<u>7,643</u>	<u>(4,693,185)</u>
 Net Change in Cash and Short Term Investments	 (356,154)	 26,675
Cash and Short Term Investments, beginning	<u>468,200</u>	<u>85,371</u>
Cash and Short Term Investments, ending	<u><u>\$112,046</u></u>	<u><u>\$112,046</u></u>

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of September 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	0	34,904	1,000	(33,904)
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	4,386,459	2,386,459
NexCura (CancerFacts)	0	4,731,812	4,731,812	2,184,721	(2,547,091)
Pointshare Corporation	0	1,877,017	1,877,017	1,000	(1,876,017)
TechRx Incorporated	0	1,115,000	1,115,000	1,440,002	325,002
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	2,605,000	(1,445,000)
Totals	\$34,904	\$26,273,830	\$26,308,734	\$23,163,682	(\$3,145,052)

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

	Partners' Total Subscription	Contributions Account 06/30/02	Period Contribution in Cash	Period Contribution by Note	Contributions Account 09/30/02	Partners' Outstanding Subscription
<u>Limited Partners</u>						
LACERA	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0
Nassau Capital Funds	9,000,000	9,000,000	0	0	9,000,000	0
Robert Wood Johnson Foundation	7,500,000	7,500,000	0	0	7,500,000	0
State Teachers Ret. System of Ohio	6,992,127	6,992,127	0	0	6,992,127	0
Northwestern University	5,000,000	5,000,000	0	0	5,000,000	0
Fleet Growth Resources (Summit Bank)	5,000,000	5,000,000	0	0	5,000,000	0
Nat. Union Fire Ins. Co. of Pittsburgh	5,000,000	5,000,000	0	0	5,000,000	0
WIN 4 Holdings / BofA Capital Corp.	3,000,000	3,000,000	0	0	3,000,000	0
First Union National Bank Pension Plan	3,000,000	3,000,000	0	0	3,000,000	0
UNISYS	2,500,000	2,500,000	0	0	2,500,000	0
Venture Investment Associates II	2,000,000	2,000,000	0	0	2,000,000	0
S.R. One Limited	1,500,000	1,500,000	0	0	1,500,000	0
Hillside Capital Incorporated	1,000,000	1,000,000	0	0	1,000,000	0
	\$61,492,127	\$61,492,127	\$0	\$0	\$61,492,127	\$0
<u>General Partner</u>						
Cardinal Health Partners Mgmt.	621,133	621,133	0	0	621,133	0
Total Partnership	\$62,113,260	\$62,113,260	\$0	\$0	\$62,113,260	\$0

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

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 09/30/02
<u>Limited Partners</u>							
LACERA	\$3,023,091	\$706,209	\$18,038	\$34,748	\$3,782,086	(\$18,365)	\$3,763,721
Nassau Capital Funds	2,720,776	635,587	16,235	31,273	3,403,871	(16,529)	3,387,342
Robert Wood Johnson Foundation	2,267,324	529,659	13,528	26,061	2,836,572	(13,774)	2,822,798
State Teachers Ret. System. of Ohio	2,113,634	493,756	12,611	24,295	2,644,296	(12,841)	2,631,455
Northwestern University	1,511,536	353,103	9,019	17,374	1,891,032	(9,183)	1,881,849
Fleet Growth Resources (Summit Bank)	1,511,536	353,103	9,019	17,374	1,891,032	(9,183)	1,881,849
Natl. Union Fire Ins. Co. of Pittsburgh	1,511,536	353,103	9,019	17,374	1,891,032	(9,183)	1,881,849
WIN 4 Holdings LLC	906,927	211,863	5,412	10,424	1,134,626	(5,510)	1,129,116
First Union National Bank Pension Plan	906,927	211,863	5,412	10,424	1,134,626	(5,510)	1,129,116
UNISYS	755,768	176,552	4,509	8,687	945,516	(4,591)	940,925
Venture Investment Associates II	604,611	141,240	3,607	6,950	756,408	(3,673)	752,735
S.R. One Limited	453,472	105,934	2,706	5,212	567,324	(2,755)	564,569
Hillside Capital Incorporated	302,313	70,622	1,804	3,475	378,214	(1,837)	376,377
	\$18,589,451	\$4,342,594	\$110,919	\$213,671	\$23,256,635	(\$112,934)	\$23,143,701
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	187,772	43,865	1,127	2,158	234,922	(1,141)	233,781
Total Partnership	\$18,777,223	\$4,386,459	\$112,046	\$215,829	\$23,491,557	(\$114,075)	\$23,377,482

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Period Ended September 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 09/30/02
<u>Limited Partners</u>									
LACERA	\$4,220,796	\$129,363	\$1,495	(\$187,214)	(\$360,047)	(\$545,766)	\$844,806	(\$885,478)	\$3,763,721
Nassau Capital Funds,	3,798,710	116,426	1,344	(168,493)	(324,041)	(491,190)	760,327	(796,931)	3,387,342
Robert Wood Johnson Foundation	3,165,592	97,034	1,120	(140,411)	(270,034)	(409,325)	633,606	(664,109)	2,822,798
State Teachers Ret. System of Ohio	2,951,798	89,701	1,045	(130,902)	(251,749)	(381,606)	590,700	(619,138)	2,631,455
Northwestern University	2,110,383	64,685	747	(93,607)	(180,023)	(272,883)	422,404	(442,740)	1,881,849
Fleet Growth Resources (Summit)	2,110,383	64,685	747	(93,607)	(180,023)	(272,883)	422,404	(442,740)	1,881,849
National Union Fire Ins. Co. of Pitt.	2,110,383	64,685	747	(93,607)	(180,023)	(272,883)	422,404	(442,740)	1,881,849
WIN 4 Holdings, LLC.	1,266,239	38,809	448	(56,164)	(108,014)	(163,730)	253,442	(265,644)	1,129,116
First Union Nat. Bank Pension Plan	1,266,239	38,809	448	(56,164)	(108,014)	(163,730)	253,422	(265,644)	1,129,116
UNISYS	1,055,190	32,345	373	(46,804)	(90,011)	(136,442)	211,202	(221,370)	940,925
Venture Investment Associates II	844,151	25,872	299	(37,443)	(72,009)	(109,153)	168,961	(177,096)	752,735
S.R. One Limited	633,126	19,409	224	(28,082)	(54,007)	(81,865)	126,721	(132,822)	564,569
Hillside Capital Incorporated	422,088	12,933	149	(18,721)	(36,005)	(54,577)	84,481	(88,548)	376,377
	\$25,955,078	\$794,756	\$9,186	(\$1,151,219)	(\$2,214,000)	(\$3,356,033)	\$5,194,900	(\$5,445,000)	\$23,143,701
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	48,096	12,059	93	(11,629)	(22,363)	(33,899)	52,474	(55,000)	23,730
Total Partnership	\$26,003,174	\$806,815	\$9,279	(\$1,162,848)	(\$2,236,363)	(\$3,389,932)	\$5,247,374	(\$5,500,000)	\$23,167,431

* - 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 September 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 09/30/02
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$27,801	(\$1,128,474)	(\$1,621,733)	(\$2,722,406)	(\$685,745)	(\$2,828,128)	\$0	\$3,763,721
Nassau Capital Funds	9,000,000	25,018	(1,015,628)	(1,459,559)	(2,450,169)	(617,166)	(2,545,323)	0	3,387,342
Robert Wood Johnson Foundation	7,500,000	20,849	(846,355)	(1,216,299)	(2,041,805)	(514,306)	(2,121,091)	0	2,822,798
State Teachers Ret. System of Ohio	6,992,127	19,442	(789,043)	(1,133,936)	(1,903,537)	(479,479)	(1,977,656)	0	2,631,455
Northwestern University	5,000,000	13,899	(564,237)	(810,867)	(1,361,205)	(342,869)	(1,414,077)	0	1,881,849
Fleet Growth Resources (Summit)	5,000,000	13,899	(564,237)	(810,867)	(1,361,205)	(342,869)	(1,414,077)	0	1,881,849
National Union Fire Ins. Co. of Pitts.	5,000,000	13,899	(564,237)	(810,867)	(1,361,205)	(342,869)	(1,414,077)	0	1,881,849
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	1,512	(153,903)	(798,208)	(950,599)	(655,707)	(265,644)	2,742,497	1,129,116
First Union National Bank Pension Plan	3,000,000	8,340	(338,541)	(486,520)	(816,721)	(205,722)	(848,441)	0	1,129,116
UNISYS	2,500,000	6,949	(282,118)	(405,433)	(680,602)	(171,435)	(707,038)	0	940,925
Venture Investment Associates II	2,000,000	5,560	(225,694)	(324,347)	(544,481)	(137,149)	(565,635)	0	752,735
S.R. One Limited	1,500,000	4,170	(169,270)	(243,260)	(408,360)	(102,861)	(424,210)	0	564,569
Hillside Capital Incorporated	1,000,000	2,779	(112,849)	(162,174)	(272,244)	(68,573)	(282,806)	0	376,377
	\$61,492,127	\$170,945	(\$6,939,224)	(\$9,972,382)	(\$16,740,661)	(\$4,216,765)	(\$17,391,000)	\$0	\$23,143,701
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,726	(1,314,029)	28,897	(1,283,406)	1,071,713	(175,659)	0	233,781
Total Partnership	\$62,113,260	\$172,671	(\$8,253,253)	(\$9,943,485)	(\$18,024,067)	(\$3,145,052)	(\$17,566,659)	\$0	\$23,377,482

TO: The Limited Partners
FROM: John J. Park
DATE: October 15, 2002
SUBJECT: Portfolio Valuations for September 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 September 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 September 30, 2002. This valuation represents no change from the valuation as of June 30, 2002.

Value Computation:

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

ATHENAHEALTH – On November 17, 2000, AthenaHealth completed a \$31 million financing at \$3.08 per share, valuing the Company at \$81 million post-money. A new investor, Oak Investment Partners, led this financing. Our investment is valued at the Series D price of \$3.08, resulting in an unrealized gain of \$3,600,000 on our cost basis of \$3,000,000 as of September 30, 2002. This valuation represents no change from the valuation as of June 30, 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 September 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 September 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 June 30, 2002.

MEDCONTRAX – In September 2001, MedContrax completed a \$500,000 insider financing at \$0.25 per share, valuing the Company at \$6.5 million post-money. Subsequent bridge financings with a liquidation preference totaling \$5 million were completed. At the end of Q1 2002, discussions were terminated with a potential acquirer and management ceased operations. In June, the assets of the company were sold, but we expect only a minimal return after satisfaction of the company's creditors. Accordingly, in Q1 2002 we reduced the value of our MedContrax investment to \$1,000. In Q3 2002, it was determined that the equity holders would receive no return from their investment. Accordingly, we have reduced the investment basis by \$3,736,363, recorded a realized loss for the same amount, and reversed the previously unrealized loss for the same amount. The remaining investment continues to be valued at \$1,000, showing an unrealized loss of \$33,904 on our cost basis of \$34,904 as of September 30, 2002. This valuation represents no change from the valuation as of June 30, 2002.

Value Computation:

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

MOLECULAR MINING CORPORATION – 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 June 30, 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 September 30, 2002
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NDCHEALTH – In May 2002, NDCHealth (NDC) acquired a controlling interest in TechRx. As part of this transaction, Cardinal sold its Series B Preferred stock holdings for \$6 million in cash and 402,982 shares of NDC common (NYSE:NDC). These shares are unregistered and are therefore subject to Rule 144 trading restrictions. Accordingly, the NDC common is valued a 30% discount from the closing price per share on September 30, 2002 of \$15.55. This results in a carrying value of \$4,386,459 with a corresponding unrealized gain of \$2,386,459 on a cost basis of \$2,000,000. This valuation represents a decrease of \$3,483,779 from the valuation for the NDC common as of June 30, 2002.

Value Computation:

$$\begin{array}{l} \text{NDCHealth Common Stock} \\ 402,982 \text{ shares} \times \$15.55 \times 70\% \qquad \qquad = \quad \underline{\underline{\$4,386,459}} \end{array}$$

NEXCURA – In June 2002, NexCura completed a \$3.9 million Series C financing led by a new investor. The price per share for the round was \$0.191 placing a pre-money value of \$11 million on the financing. Cardinal invested \$231,812 in the Series C round, including the conversion of \$181,812 in promissory notes with accrued interest. We propose to value the NexCura investment at the price of the Series C round. After accounting for the anti-dilution effect of the Series C round on our previous Series B investment, the resulting value for our NexCura investment is \$2,184,721. At this value, the investment shows an accumulated unrealized loss of \$2,547,091 on our cost basis of \$4,731,812. This valuation represents no change from the valuation for NexCura as of June 30, 2002.

Value Computation:

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

POINTSHARE – As reported previously, PointShare has sold both operating units of the company, netting a total of ~ \$5 million for distribution to the investors. No proceeds were accorded to the Series A or Series B investors and those investments have been written off. 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 September 30, 2002. This valuation represents no change from our carrying value as of June 30, 2002.

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of September 30, 2002
Page 4 of 4

TECHRX – In May 2002, NDCHealth (NDC) acquired a controlling interest in TechRx. As part of this transaction, NDC has agreed to purchase the remainder of the TechRx equity at a value of \$4-\$8 per TechRx share, dependent upon the achievement of specific performance milestones by May 31, 2003. Cardinal currently holds 413,334 shares of TechRx common and warrants to purchase 100,000 shares of TechRx common. The TechRx common shares are valued at \$3.00 per share, representing a 25% discount to the minimum value of \$4.00 to be received in May 2003. This results in a carrying value of \$1,440,002 with a corresponding cumulative unrealized gain of \$325,002 on a cost basis of \$1,115,000. This valuation represents an increase of \$115,000 from the valuation for TechRx as of June 30, 2002.

Value Computation:

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

VISICU (formerly IC-USA) – On June 8, 2000, VISICU completed a \$12 million financing at \$1.37 per share valuing the Company at \$28 million post-money. A new investor, Pacific Venture Group, led this financing. 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 no change from our carrying value as of June 30, 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 September 30, 2002

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 09/30/02</u>	<u>Fair Value 06/30/02</u>	<u>Change from Prior Quarter</u>	<u>Reason for Change</u>
AccentCare, Inc.	\$4,500,002	\$3,898,100	\$3,898,100	\$0	
AthenaHealth, Inc.	3,000,000	6,600,000	6,600,000	0	
Esurg Corporation	3,999,999	1,000	1,000	0	
MedContrax, Inc. (formerly Syntegra)	34,904	1,000	1,000	0	Write-off Equity Investment (note 1)
Molecular Mining	1,000,000	2,046,400	2,046,400	0	
NDCHealth, Inc.	2,000,000	4,386,459	7,870,238	(3,483,779)	Market Price Decrease (note 2)
NexCura (formerly CancerFacts.com)	4,731,812	2,184,721	2,184,721	0	
Pointshare Corporation	1,877,017	1,000	1,000	0	
TechRx Incorporated	1,115,000	1,440,002	1,325,002	115,000	Exercise of Common Stock Options (note 3)
VISICU, Inc. (formerly ICUSA)	4,050,000	2,605,000	2,605,000	0	
Total Portfolio	\$26,308,734	\$23,163,682	\$26,532,461	(\$3,368,779)	

- (1) The sale of the assets of MedContrax will produce no return for the equity holders of the company. Accordingly, during the quarter we have written off the equity portion of our investment, reducing the cost basis by \$3,736,363, recording a realized loss for the same amount and reversing the previously unrealized loss for the same amount.
- (2) The value of the 402,982 shares of NDCHealth common stock (NYSE:NDC) held by the fund decreased in value as a result of the change in the share price from \$27.90 as of June 30th, to \$15.55 as of September 30th. The NDCHealth common stock holdings continue to be subject to Rule 144 trading restrictions and are valued at a 30% discount to market.
- (3) During the quarter, Cardinal exercised stock options for 80,000 shares of TechRx common stock. The total exercise cost was \$115,000. Cardinal now holds 413,334 shares of TechRx common stock and warrants to purchase an additional 100,000 shares of common stock.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 3rd Quarter 2002

Solid financial performance and the hopeful near term culmination of its CEO search characterized the second quarter of Fiscal 2003 for AccentCare. In the meantime, Dave Barry continues to do a good job at the helm focusing the team on improvements to operational results. The company is progressing steadily towards cash flow break-even point, which we expect will occur in early calendar 2003.

Financial performance for the quarter was good with revenues within 4% of plan and net income and operating cash flow coming in well ahead of plan. Revenues for the period were \$11.5 million vs. plan revenues of \$12.0 million. Operating margins were on plan for the period. Operating expenses were almost 10% 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 \$417K for the period in net income.

Management continues to explore acquisition opportunities in New York. The goal has been to identify a larger platform company to purchase with a capable management team that can be leveraged to grow organically and through acquisition. A primary target with over \$40 million in revenue for 2001 has been identified and terms are being negotiated. The investor syndicate has been counseling management to move cautiously on this acquisition. However, management believes that this acquisition can be obtained on favorable terms and is likely to pursue an agreement in the coming quarter.

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 September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	11,507	11,974	-467
Cost of Services	7,753	8,191	+438
Operating Expenses	4,148	4,559	+411
EBIT	-394	-776	+382
Interest and Taxes	-62	-97	+35
Net Income	-456	-873	+417

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

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	19,650	20,221	-571
Cost of Services	13,317	13,806	+489
Operating Expenses	7,747	8,316	+569
EBIT	-1,414	-1,901	+487
Interest and Taxes	-84	-133	+49
Net Income	-1,498	-2,034	+536

ACCENTCARE, INC. (cont.)

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

Cash	\$ 5,640	Accounts Payable	\$ 488
Accounts Receivable	6,639	Accrued Expenses	2,459
Other Current Assets	<u>686</u>	Other Current Liabilities	<u>2,250</u>
Total Current Assets	12,965	Total Current Liabilities	5,197
Net PP&E	863	Long Term Debt	3,738
Intangibles (Net)	17,914	Shareholders Equity	43,876
Other Assets	<u>52</u>	Retained Earnings	<u>-21,017</u>
Total Assets	<u>\$31,794</u>	Total Liabilities & Equity	<u>\$31,794</u>

Comments:

The company is on plan in terms of cash flow. 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.

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: 3rd Quarter 2002

Sales performance for the quarter was productive, though still behind plan. The company is now only \$4 million shy of breakeven in terms of new sales of recurring annual revenue contracts. The probability of achieving the sales-to-breakeven goal in Q4 is high given the size of the pipeline (\$44 MM), the historical strength the company has shown in Q4 sales, the enhanced selling activity from partners and the addition of Bob Hueber as Senior Vice President of Sales.

Net sales for the quarter were \$1.5 million, 51% behind plan due to a combination of a lengthened sales cycle related to summer seasonal factors and prospect concerns about service issues via client references. The quality of contract pricing was good, with overall margins expected to be over 50%. New implementations for the quarter totaled \$2.2 million contributing to an overall 28% increase in revenues for Q3 as compared to Q2. October should be the largest go-live month since June, with more than \$2 million of recurring annual revenue being added to the system. Implementation cycle times are below 5 months and management expects a further reduction will take place in the near term.

Operationally, a lengthy executive search for a Sr. VP of Sales culminated in the hiring of Bob Hueber. Bob was the top salesperson for IDX, the leading software systems company for hospital based physician practices. Bob comes to the company with some non-compete provisos, but we believe that over the longer term he will prove to be a significant addition to the team.

Revenue, margins and net income remain substantially below budget because of cumulative sales / implementation delays, primarily from Q1, as compared to plan. Cash burn and head count are still ahead of plan for the year. Operating cash burn for the month of September improved to \$345K. Driven by the implementation of new contracts, gross margins continue to trend favorably, improving from 22% to 27% during the quarter. Service performance is improving rapidly, but sustaining this will require continuous management focus until it is routine.

While the new sales results for the quarter were disappointing, the company continues to build solid momentum towards breakeven, powered by its dependable recurring revenue model. Sales consistency remains a priority and the hiring of experienced Senior Vice President of Sales to guide the effort is a significant step forward.

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 September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	3,317	5,585	-2,268
Direct Expenses	2,623	2,924	+301
SG&A	2,995	2,936	-59
EBIT	-2,301	-275	-2,206
Interest and Taxes	-48	-33	-15
Net Income	-2,349	-308	-2,041

Fiscal Year-to-Date: Nine Months Ended September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	7,756	11,355	-3,599
Direct Expenses	7,222	7,698	+476
SG&A	8,240	8,359	+119
EBIT	-7,706	-4,702	-3,004
Interest and Taxes	-27	12	-39
Net Income	-7,733	-4,690	-3,043

ATHENAHEALTH, INC. (cont.)

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

Cash	\$ 11,301	Accounts Payable	\$ 258
Accounts Receivable	1,926	Accrued Expenses	1,275
Other Current Assets	<u>471</u>	Other Current Liabilities	<u>4,048</u>
Total Current Assets	13,698	Total Current Liabilities	5,581
Net PP&E	2,823	Long Term Debt - Lease line	3,262
Intangibles (Net)	0	Shareholders Equity	43,334
Other Assets	<u>1,852</u>	Retained Earnings	<u>-33,804</u>
Total Assets	<u>\$18,373</u>	Total Liabilities & Equity	<u>\$18,373</u>

Comments:

Cash burn for the year is slightly ahead of behind plan, due primarily to lower than forecast headcount. Management expects to reach cash flow break even during Q2 2003. At that time, the forecasted cash balance is 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: 3rd Quarter 2002

Financial Performance for Esurg during the quarter continued to exceed plan by a healthy margin as the skeleton team tasked with restructuring and selling the company does an outstanding job of managing costs and growing repeat sales. However, discussions with potential buyers have been discouraging, and we grow increasingly pessimistic about Esurg's exit options.

Revenues of \$2.5 million for the quarter were nearly 50% ahead of plan for the quarter, resulting in commensurately lower losses in this high fixed-cost business. Cash at the end of the quarter stands at \$6 million. With cash burn running at ~ \$320K per month the company can operate at this level for two years. However, we believe that break-even for Esurg requires over \$50 million in revenue, and don't believe the company can achieve these levels on existing cash.

Conversations with potential acquirers have been discouraging. The large distribution companies appear not to view access to the online channel as a priority. Group purchasing organizations seem too-risk averse to consider adding an Esurg capability to their own suite of services. Since Esurg's appeal to an acquirer declines as their cash expires, we worry that the clock is running out on their options.

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 September 30, 2002

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	2,501	1,706	+795
Cost of Sales	2,098	1,607	-491
Operating Expenses	1,536	2,079	+543
EBIT	-1,133	-1,980	+847
Interest and Taxes	45	76	-31
Net Income	-1,088	-1,904	+816

Fiscal Year-to-Date: Nine Months ended September 30, 2002

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	7,429	6,509	+920
Cost of Sales	6,685	5,920	-765
Operating Expenses	7,152	7,203	+51
EBIT	-6,408	-6,614	+206
Interest and Taxes	161	209	-48
Net Income	-6,247	-6,405	+158

** Budget revised – May 2002

ESURG CORPORATION (cont.)

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

Cash	\$ 6,155	Accounts Payable	\$ 661
Accounts Receivable	1,025	Accrued Expenses	290
Other Current Assets	<u>478</u>	Other Current Liabilities	<u>571</u>
Total Current Assets	7,658	Total Current Liabilities	1,522
Net PP&E	1,732	Long Term Debt	0
Intangibles (Net)	616	Shareholders Equity	40,906
Other Assets	<u>1,265</u>	Retained Earnings	<u>-31,157</u>
Total Assets	<u>\$11,271</u>	Total Liabilities & Equity	<u>\$11,271</u>

Comments:

With the reduced cash burn plan firmly in place, monthly burn is now ~ \$320K per month. Under the current operating plan, the company can keep operating at this level for at least the next two years, while management and the investors map out a strategy to maximize the return on investment.

Cardinal Health Partners Holdings:

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

Outlook:

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: 3rd 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 closed into escrow in early July.

Our counsel conservatively estimates that distributable proceeds from the sale will be approximately \$1.2 million. Claims filed by all of the company's creditors total \$2.5 million, including \$606,600 of investor promissory notes. Cardinal's portion of the promissory notes is \$34,904. Our counsel believes that many of the creditor claims are without merit or will be reduced substantially on adjudication. His current estimate is that the investors can expect to receive 50-75% back on the value of their promissory notes. We expect this process to be completed sometime over the next 3-6 months. Counsel has confirmed that the equity holders will receive no return on their investment. Consequently, we have realized a loss of \$3,736,363 related to our equity holdings and reversed the previously unrealized loss for the same amount.

Cardinal Health Partners Holdings:

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

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

Software Tools for Genomics Research

Period Summary: 3rd Quarter 2002

Financial results for Q3 2002 were well behind plan due mostly to underperformance in software sales. During the quarter, the company completed three new collaboration deals with major pharmaceutical clients totaling over \$300K and is close to completing a fourth worth almost \$200K. The board has refocused senior management clearly on pursuing potential M&A opportunities and the attainment of profitability without additional financing.

Product sales continued to be well behind plan through the third quarter. A slower than expected summer was exacerbated by the loss of a number of the sales team members. As a result, management has reorganized the sales organization and is refocusing solely on building sales in North America to a profitable level. Two product release updates were successfully completed during the quarter, with significant enhancements based on customer feedback. The company is no longer actively pursuing distribution and OEM relationships in Europe and Asia to focus solely on building a profitable franchise in North America. Management is continuing to work on co-marketing/OEM arrangements with several strategic partners.

To their credit, for almost all of 2002 management has successfully kept expenses in line with the development of its sales channels. Expenses for the period were 30% lower than plan primarily due to lower headcount. The company remains ahead of its cash flow plan for the year.

The investor syndicate has given management a clear mandate to develop a business model that will attain cash flow break even by Q3 2003 without additional financing. We continue to work closely with our co-investors to explore strategic relationships with other bioinformatics companies. Multiple companies have been contacted and discussions are in progress 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 September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	108	1,118	-1,010
Cost of Sales	7	0	-7
Operating Expenses	690	1,006	+316
EBIT	-589	112	-701
Interest and Taxes	8	29	-21
Net Income	-581	141	-722

Fiscal Year-to-Date: Nine Months Ended September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	418	1,716	-1,298
Cost of Sales	94	0	-94
Operating Expenses	3,044	3,501	+457
EBIT	-2,720	-1,785	-935
Interest and Taxes	43	114	-71
Net Income	-2,677	-1,671	-1,006

MOLECULAR MINING CORPORATION (cont.)

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

Cash	\$ 2,324	Accounts Payable	\$ 53
Accounts Receivable	192	Accrued Expenses	179
Prepaid Expenses	<u>55</u>	Notes Payable	<u>0</u>
Total Current Assets	2,571	Total Current Liabilities	232
Net PP&E	249	Long Term Debt	0
Intangibles (net)	167	Shareholders Equity	9.898
Other Assets	<u>0</u>	Retained Earnings	<u>-7.143</u>
Total Assets	<u>\$ 2,987</u>	Total Liabilities & Equity	<u>\$ 2,987</u>

Comments:

Cash burn for the quarter was well ahead of plan and the company is currently 10% ahead of its cash forecast. The company is currently burning ~ \$250K on average per month. At this rate, the company has adequate capital to support operations through the first half of 2003. Management has a clear mandate to develop a business model to attain cash flow break even in 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: 3rd Quarter 2002

On the heels of its successful fund raising last quarter, Nexcura completed another of its important objectives in the third quarter with the hiring of CEO Peter Hoover. Peter is a veteran of the pharmaceutical data industry. He was most recently COO of Quintiles Informatics, and his prior experience includes IMS and prescription technology start up RxRemedies.

Last quarter's loss of a major customer due to an unfavorable FDA review of a product expected to launch in 2003 will impact revenue expectations for the rest of the year. However, the company has continued to close new sales, and currently has visibility on a year-end sales pipeline of \$2M. Revenue forecasts for the year have been downgraded to \$4M, however it is expected that the company will operate at breakeven or slightly profitable at that level.

We are guardedly optimistic regarding Nexcura's prospects for next year. Success will depend on the new CEO's ability to re-direct a fatigued management team, make several new key hires, and continue to build on the company's early success with large pharmaceutical company customers.

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 September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	749	1,247	-498
Cost of Sales	44	39	-5
Operating Expenses	1,528	1,197	-331
EBIT	-823	+11	-834
Interest and Taxes	-21	0	-21
Net Income	-844	+11	-855

Fiscal Year-to-Date: Nine Months ended September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	2,205	3,282	-1,077
Cost of Sales	63	95	+32
Operating Expenses	3,613	3,533	-80
EBIT	-1,471	-346	-1,125
Interest and Taxes	-85	0	-85
Net Income	-1,556	-346	-1,210

NEXCURA, INC. (cont.)

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

Cash	\$ 1,083	Accounts Payable	\$ 129
Accounts Receivable	278	Accrued Expenses	11
Other Current Assets	<u>58</u>	Deferred Revenue	<u>1,111</u>
Total Current Assets	1,419	Total Current Liabilities	1,251
Net PP&E	234	Long Term Debt	123
Intangibles (Net)	0	Shareholders Equity	15,345
Other Assets	<u>84</u>	Retained Earnings	<u>-14,982</u>
Total Assets	<u>\$ 1,737</u>	Total Liabilities & Equity	<u>\$ 1,737</u>

Comments:

The Series C financing has a contingent second closing for a total of \$1.9 million upon the approval of a business development plan by the Board. We expect that to occur sometime in the coming quarter. The company has had a low monthly cash burn (<\$150K) for the past quarter and should attain cash flow break even in the first half of 2003.

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	\$12.8 million

Outlook:

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

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

Infrastructure Application Provider for Physician Practices

Period Summary: 3rd 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

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

Leading Software Systems for High Volume Prescription Fulfillment

Period Summary: 3rd Quarter 2002

Results for the first quarter of Fiscal 2003 (FYE 5/31) for NDCHealth (NDC) were in line with expectations. The company reported earnings of \$11.1 million, or \$0.32 per share, on revenues of \$100 million. For Fiscal 2003, company management estimates that revenues will be approximately \$445 to \$455 million, with earnings per share in the range of \$1.55 to \$1.57, a 260% increase from Fiscal 2002 earnings. The results for the first quarter of fiscal 2003 include a full quarter of consolidated operating results from the TechRx and ScriptLine transactions that closed in late May 2002. These combined businesses contributed approximately \$10 million to revenue in the first quarter with a net loss of approximately \$0.01 per share.

At the end of the quarter, the company announced that it had set a number of transaction records and reached significant growth milestones in the pharmaceutical, pharmacy and physician markets. In the pharmaceutical market, the growth in the number of pharmaceutical sales representatives whose compensation is based on data provided by NDCHealth has grown by 9%, reflecting an increase in market share. In pharmacy, the company announced that on September 30, 2002, the number of prescription transactions processed by the NDCHealth Intelligent Network in a single day exceeded 14 million for the first time. On that same day, NDC Pre and Post Editing transactions set a new record of more than 4.9 million. In the first four months of FY03 (June-September) NDCHealth's prescription transaction volume is up 30% versus the prior year and pre and post editing transactions have increased more than 50%. In the Physician Services arena, more than 12,000 NDCHealth physicians currently receive network processing services through NDCHealth's alliance with MedUnite, an increase of 22% over the prior year's fiscal first quarter. During the same period, transaction volume increased 25% and is now approaching two million per month.

Overall the company seems to be performing well, notwithstanding the drop in its stock price over the quarter. We are hopeful that the company will be able to maintain sustained predictable growth and profitability and that will be reflected in the market by the middle of next year.

During the quarter, Cardinal exercised common stock options for 80,000 shares of TechRx stock for a total exercise price of \$115,000 or \$1.4375 per share. As a reminder, in May of 2003, NDCHealth will purchase the remainder of the TechRx common shares on a formula based on the achievement of specific operating milestones and financial objectives, at a per share price of between \$4 and \$8.

TECHRX INCORPORATED / NDCHEALTH (cont.)

FINANCIAL RESULTS – NDCHealth: (\$000)

Overview: (FYE 5/31)

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

Last Three Months: Quarter Ended August 31, 2002

	<i>FY02 Actual</i>	<i>FY03 Actual</i>
Revenues	84,156	100,082
Cost of Revenue	39,094	51,801
Operating Expenses	20,986	20,153
Depreciation & Amortization	6,581	7,609
EBIT	17,495	20,519
Interest, Taxes and Other	8,464	9,354
Net Income	9,031	11,165
Basic Earnings Per Share	\$0.27	\$0.32

Summary Balance Sheet as of August 31, 2002:

Cash	\$ 5,278	Accounts Payable	\$ 63,578
Accounts Receivable	74,768	Current Obligations	109,601
Other Current Assets	<u>41,862</u>	Deferred Income	<u>21,876</u>
Total Current Assets	121,908	Total Current Liabilities	195,055
Net PP&E	108,813	Long Term Obligations	148,108
		Other Liabilities	24,393
Intangible Assets (Net)	380,504	Shareholders Equity	228,195
Other Assets	<u>48,497</u>	Retained Earnings	<u>63,971</u>
Total Assets	<u>\$659,722</u>	Total Liabilities & Equity	<u>\$659,722</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 September 30, 2002 for NDCHealth common stock was \$15.55.

	High	Low
Quarter ended 08/31/02	\$32.28	\$16.80
Quarter ended 05/31/02	\$37.24	\$27.74
Quarter ended 02/28/02	\$34.90	\$28.20
Quarter ended 11/30/01	\$38.98	\$30.43
Quarter ended 08/31/01	\$38.99	\$29.00

Cardinal Health Partners Holdings:

NDCHealth Common Stock (subject to Rule 144 Restrictions)	402,982 shares
Assigned Fair Value (402,982 x \$15.55 x 70%)	\$4,386,459
Investment Cost	\$2,000,000
Cost per Share	\$4.963
TechRx Common Stock	413,334 Shares
Assigned Fair Value (413,334 x \$3.00)	\$1,240,002
Investment Cost	\$1,115,000
Cost per Share	\$2.76
TechRx Common Stock Warrants	100,000 shares
Assigned Fair Value ([100,000 x \$3.00] – [100,000 x \$1.00])	\$200,000
Exercise Price Per Share	\$1.00
% Ownership of NDCHealth Common (Full Dilution)	1.37%
Company Valuation at Cardinal Cost	\$234 million
Company Valuation at Market Value (\$15.55 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: 3rd Quarter 2002

Visicu had another excellent quarter extending its run of sales success and moving into implementation with several major customers. The company is earning success in establishing a growing market position as a truly next generation healthcare company. This was typified in the quarter when the company and its medical founders were featured in a major article in Forbes Magazine in September (Article included with this report).

In addition to moving into the implementation phase with both Sutter and New York Presbyterian, the company closed another large, strategic customer order in September with Advocate Health Care, one of the largest hospital systems in the Midwest and signed a letter of intent with North Shore Long Island Jewish Health System, a major New York system of 14 hospitals and affiliates. Final contracting should be completed next quarter.

The pipeline of sale prospects has been building very strongly over the past several quarters and the company has enjoyed a remarkable level of interest from almost every hospital system that it markets. The proposition of highest quality care, improved morbidity and mortality with a system that at the same time allows hospitals to track and manage costs appears to be a solution with very broad appeal.

On the development front, the company continues to work on enhancing its products with enhanced connectivity and communication features and the continual updating of decision support rules and references. The company's next full release of software (Version 3.1) is scheduled for completion by year-end for general use beginning early in Q1 of 2003. The company has a strong focus on documentation and implementation issues which will grow ever more critical as major sales wins ramp into an accelerating implementation and support requirement.

Frank Sample, our CEO, has done an outstanding job of moving the company full speed ahead on the sales and marketing front successfully adding additional sales talent and support over the last several quarters. The team needs to continue to build on this great sales momentum with equally great success delivering implementation and support. We are very optimistic about the company's prospects for building way beyond its current early success.

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 September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	645	1,205	-560
Cost of Sales	366	426	+60
Operating Expenses	1,724	2,020	+296
EBIT	-1,445	-1,241	-204
Interest and Taxes	4	1	+3
Net Income	-1,441	-1,240	-201

Fiscal Year-to-Date: Nine Months Ended September 30, 2002

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,634	1,942	-308
Cost of Sales	1,133	1,164	+31
Operating Expenses	5,185	5,697	+512
EBIT	-4,684	-4,919	+235
Interest and Taxes	21	17	+4
Net Income	-4,663	-4,902	+239

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

Cash	\$ 4,497	Accounts Payable	\$ 129
Accounts Receivable	71	Accrued Expenses	402
Prepaid Expenses	<u>194</u>	Deferred Revenue	<u>744</u>
Total Current Assets	4,762	Total Current Liabilities	1,275
Net PP&E	665	Note Payable & LTD	7
Deferred Costs	40	Shareholders Equity	27,939
Other Assets	<u>55</u>	Retained Earnings	<u>-23,699</u>
Total Assets	<u>\$ 5,522</u>	Total Liabilities & Equity	<u>\$ 5,522</u>

Comments:

Cash flow for the quarter was on plan. With the financing completed in Q2, 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:

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