

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

4th QUARTER, 2003

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

CARDINAL HEALTH PARTNERS, L.P.

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4th QUARTER, 2003

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TO: The Limited Partners

FROM: John K. Clarke

DATE: March 19, 2004

SUBJECT: Activity for the Quarter ended December 31, 2003

During the quarter, the portfolio continued its progress towards building value and liquidity. In October, we distributed our remaining holdings of NDC common stock at a value of \$4.5 million. Athena met its aggressive growth target and maintained a steady progression towards achieving cash flow break-even and profitability. VISICU signed 5 new clients and ends the year with a \$24 million contract backlog. Management at Esurg has identified a potential merger that lessens the need for additional capital and shortens the timeframe to breakeven. The new management team at AccentCare continued to cut overhead and move the company towards positive EBITDA. Nexcura ended a difficult year with a cash flow positive quarter. A synopsis of the quarter at each active portfolio company follows.

AccentCare – While financial performance at AccentCare for Fiscal 2004 (FYE 3/31) has lagged plan, the new senior management team, put in place at the beginning of the year, has taken a number of significant strides towards improving performance. The list of accomplishments this year includes; the initiation of a worker's compensation self insurance program forecast to save over \$1 million in cost annually, a reduction of \$5.5 million in annual overhead costs, a doubling of the company's credit facilities, and the elimination of a 2 1/2% prompt payment discount with its largest east coast customer. The company's current annual revenue run rate is \$90 million, a growth of 64% over Fiscal 2003. With a revised operating plan in place, management expects to achieve sustainable profitability by the last quarter of calendar 2004.

AthenaHealth – Athena exhibited solid financial performance throughout 2003. Revenues for the year grew by 106% and sales grew by 53% over 2002. YTD revenues are within 4% of budget, with a very strong sales pipeline entering 2004. Gross margins exceeded plan, but higher operating expenses, primarily related to sales and marketing, led the company to miss its EBITDA goal. Operating cash flow was positive for the last two months of 2003. The company is on track towards attaining sustainable cash flow break even in the 1st quarter of 2004. The company achieved a key marketing win with its year-end #1 rating by KLAS ("Best in KLAS"), the J.D. Powers/Consumer Reports of the healthcare IT industry.

Esurg – While revenues did not meet expectations for 2003, management continues to operate the company in a very efficient manner, ending the year ahead of plan for gross margin, EBITDA and cash burn. During the quarter, management identified a potential merger candidate from the traditional medical supply distribution business. Management has forecasted that an investment of \$3 million would be needed to support the combined entity to profitability. This is the most viable long-term initiative that has surfaced during 2003 and management was directed to complete negotiations and due diligence.

NexCura – 2003 has been a year of transition for NexCura. Financial results were significantly affected by an unfavorable economic climate for many customers, leading to project delays or cancellations. This resulted in a revenue shortfall as compared to plan. To counteract this, in September management enacted significant reductions in expenses so as to be cash flow neutral based upon the current revenue forecast. Management also initiated new programs to develop recurring business around recruiting participants for custom market research studies. As the company ends the year, the revenue base is largely derived from long-term subscription based contracts, as opposed to short-term projects. The company operated at cash flow breakeven for the last quarter of 2003, with management confident that the company will be self-sustaining through 2004.

TechRx/NDCHealth – On October 9, 2003, Cardinal distributed its remaining 192,000 shares of NDC common stock at \$23.60 per share for a total distribution value of \$4,531,200. A review of the TechRx investment shows a total return of \$17,949,440, or 4.4X our investment of \$4,115,000. This return equates to an overall annual IRR of 56.1% on the TechRx investment. Cumulatively, cash and in-kind distributions of \$16,584,000 were made to the partners during 2002 and 2003 related to the TechRx investment.

Visicu – 2003 represented another stellar sales year with the addition of 10 new clients. VISICU enters 2004 with 14 customers, four of which are activated with 365 ICU beds under management. The company ended the year with a contract backlog exceeding \$24 million, representing over 700 ICU beds. The 2004 budget calls for the addition of 16 new clients, the activation of 17 clients and a contract backlog in excess of \$50 million at year-end.

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 was highlighted by the \$4.5 million in-kind distribution of NDCHealth common stock to the partners in October. Net income for the quarter was \$1.6 million including: \$136K in net operating expenses and \$1.7 million in net realized gains related to the October NDC distribution (\$3.6 million gain), offset by the write-off of the remainder of the PointShare investment (\$1.8 million loss). During the quarter, the general partners paid \$26k towards the principal balance of their capital contribution notes. The cash balance at the end of the period was \$94K, with partners' net assets totaling \$15.5 million.

Looking forward:

We were delighted to host many of you at the Limited Partner Annual Meeting in New York on November 19, 2003. We are confident that the company presentations at the meeting have demonstrated to you that the value potential of the portfolio is substantially beyond that of our current carrying value.

Brandon, Lisa, John, Geoff and I remain committed to achieving the best possible return for our investors.

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

	Three Months Ended 12/31/03	Twelve Months Ended 12/31/03
Revenue:		
Non Portfolio Income	\$145	\$262
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	127,386	554,108
Professional Fees	4,750	19,768
NVCA Dues & Expenses	0	2,587
Amortization of Organization Costs	0	0
Miscellaneous Expenses	6,620	6,824
Total Expenses	138,756	583,287
Net Operating Expense	(138,611)	(583,025)
Investment Income	2,978	62,246
Net Income Before Gains (Losses)	(135,633)	(520,779)
Realized Gains (Losses)	1,719,284	6,975,419
Unrealized Gains (Losses)	(4,764)	(3,102,721)
Net Income (Loss)	<u>\$1,578,887</u>	<u>\$3,351,919</u>

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

ASSETS:	Period Ended 12/31/03	Period Ended 09/30/03
	<u> </u>	<u> </u>
Cash and Short-Term Investments	\$94,007	\$465,460
Accrued Interest	1,649	275
Escrow for Investment	0	0
Venture Capital Investments (Cost Basis - \$25,275,737)	15,390,821	18,207,501
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	155,041	181,167
	<u> </u>	<u> </u>
	<u>\$15,641,518</u>	<u>\$18,854,403</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$153,007	\$413,578
Investment due Portfolio Company	0	0
Partners' Accounts	15,488,511	18,440,825
	<u> </u>	<u> </u>
Total Liabilities and Capital	<u>\$15,641,518</u>	<u>\$18,854,403</u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of December 31, 2003

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

Note 2 - Net Organization Costs:	<u>12/31/03</u>	<u>09/30/03</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>12/31/03</u>	<u>09/30/03</u>
GP Promissory Note Principal	\$155,041	\$181,167
Offset against Partners' Capital	<u>0</u>	<u>0</u>
Total	<u>\$155,041</u>	<u>\$181,167</u>

Note 4 - Accrued Expenses:	<u>12/31/03</u>	<u>09/30/03</u>
Accounting & Audit	\$19,000	\$14,250
Management Fees	127,387	396,721
NVCA Dues and Other	6,620	2,607
Legal & Other Professional Fees	<u>0</u>	<u>0</u>
Total	<u>\$153,007</u>	<u>\$413,578</u>

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

	Three Months Ended 12/31/03	Twelve Months Ended 12/31/03
Cash flows from operating activities		
Net Income Before Gains (Losses)	(\$135,633)	(\$520,778)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	(1,375)	7,834
Net Organization Costs	0	0
Other Assets	0	0
Accrued Expenses & Payables	(206,571)	(253,201)
Net Cash used in Operating Activities	(397,579)	(766,145)
Cash flows from investing activities		
Purchases of venture capital investments	0	(100,000)
Sales of venture capital investments	0	3,165,440
Net cash used in investing activities	0	3,065,440
Cash flows from financing activities		
Cash contributions by partners	26,126	55,010
Cash distribution to partners	0	(2,300,000)
Net cash provided by financing activities	26,126	(2,244,990)
 Net Change in Cash and Short Term Investments	 (371,453)	 54,305
Cash and Short Term Investments, beginning	465,460	39,702
Cash and Short Term Investments, ending	\$94,007	\$94,007

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

Company	Debt	Equity	Total Cost	Fair Value	Unrealized Gain (Loss)
AccentCare, Inc.	\$0	\$4,500,002	\$4,500,002	\$3,898,100	(\$601,902)
AthenaHealth, Inc.	0	3,000,000	3,000,000	6,600,000	3,600,000
Esurg Corporation	0	3,999,999	3,999,999	1,000	(3,998,999)
MedContrax (Syntegra)	34,904	0	34,904	1,000	(33,904)
Molecular Mining Corporation	0	1,000,000	1,000,000	1,000	(999,000)
NDCHealth, Inc.	0	0	0	0	0
NexCura (CancerFacts)	0	4,831,812	4,831,812	2,284,721	(2,547,091)
Pointshare Corporation	0	0	0	0	0
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	2,605,000	(1,445,000)
Totals	\$34,904	\$21,381,813	\$21,416,717	\$15,390,821	(\$6,025,896)

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

	Partners' Total Subscription	Contributions Account 09/30/03	Period Contribution in Cash	Period Contribution by Note	Contributions Account 12/31/03	Partners' Outstanding Subscription
<u>Limited Partners</u>						
LACERA	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0
Nassau Capital Funds	9,000,000	9,000,000	0	0	9,000,000	0
Robert Wood Johnson Foundation	7,500,000	7,500,000	0	0	7,500,000	0
State Teachers Ret. System of Ohio	6,992,127	6,992,127	0	0	6,992,127	0
Northwestern University	5,000,000	5,000,000	0	0	5,000,000	0
Fleet Growth Resources (Summit Bank)	5,000,000	5,000,000	0	0	5,000,000	0
Natl. Union Fire Ins. Co. of Pittsburgh	5,000,000	5,000,000	0	0	5,000,000	0
WIN 4 Holdings / BofA Capital Corp.	3,000,000	3,000,000	0	0	3,000,000	0
Wachovia Bank Pension Plan	3,000,000	3,000,000	0	0	3,000,000	0
UNISYS	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	26,126	(\$26,126)	621,133	0
Total Partnership	\$62,113,260	\$62,113,260	\$26,126	(\$26,126)	\$62,113,260	\$0

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

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 12/31/03
<u>Limited Partners</u>							
LACERA	\$2,477,914	\$0	\$15,135	\$25,227	\$2,518,276	(\$24,634)	\$2,493,642
Nassau Capital Funds	2,230,110	0	13,622	22,704	2,266,436	(22,171)	2,244,265
Robert Wood Johnson Foundation	1,858,452	0	11,351	18,920	1,888,723	(18,476)	1,870,247
State Teachers Ret. System. of Ohio	1,732,373	0	10,580	17,637	1,760,590	(17,222)	1,743,368
Northwestern University	1,238,921	0	7,567	12,613	1,259,101	(12,317)	1,246,784
Fleet Growth Resources (Summit Bank)	1,238,921	0	7,567	12,613	1,259,101	(12,317)	1,246,784
Pine Street Holdings I LLC	1,238,921	0	7,567	12,613	1,259,101	(12,317)	1,246,784
WIN 4 Holdings LLC	743,388	0	4,540	7,568	755,496	(7,390)	748,106
Wachovia Bank Pension Plan	743,388	0	4,540	7,568	755,496	(7,390)	748,106
UNISYS	619,462	0	3,783	6,307	629,552	(6,158)	623,394
Venture Investment Associates II	495,584	0	3,027	5,045	503,656	(4,927)	498,729
S.R. One Limited	371,680	0	2,270	3,784	377,734	(3,695)	374,039
Hillside Capital Incorporated	247,799	0	1,513	2,523	251,835	(2,463)	249,372
	\$15,236,913	\$0	\$93,062	\$155,122	\$15,485,097	(\$151,477)	\$15,333,620
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	153,908	0	945	1,568	156,421	(1,530)	154,891
Total Partnership	\$15,390,821	\$0	\$94,007	\$156,690	\$15,641,518	(\$153,007)	\$15,488,511

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

	Partners' Capital 01/01/03	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 12/31/03
<u>Limited Partners</u>									
LACERA	\$3,738,463	\$0	\$42	(\$83,884)	\$1,123,016	\$1,039,174	(\$499,526)	(\$1,781,469)	\$2,493,642
Nassau Capital Funds,	3,364,610	0	38	(75,497)	1,010,715	935,256	(449,574)	(1,606,027)	2,244,265
Robert Wood Johnson Foundation	2,803,853	0	32	(62,914)	842,262	779,380	(374,645)	(1,338,341)	1,870,247
State Teachers Ret. System of Ohio	2,613,793	0	29	(58,654)	785,227	726,602	(349,275)	(1,247,752)	1,743,368
Northwestern University	1,869,219	0	21	(41,943)	561,508	519,586	(249,763)	(892,258)	1,246,784
Fleet Growth Resources (Summit)	1,869,219	0	21	(41,943)	561,508	519,586	(249,763)	(892,258)	1,246,784
Pine Street Holdings I LLC	1,869,219	0	21	(41,943)	561,508	519,586	(249,763)	(892,258)	1,246,784
WIN 4 Holdings, LLC.	1,121,539	0	13	(25,166)	336,905	311,752	(149,858)	(535,327)	748,106
Wachovia Bank Pension Plan	1,121,539	0	13	(25,166)	336,905	311,752	(149,858)	(535,327)	748,106
UNISYS	934,611	0	11	(20,971)	280,754	259,794	(124,882)	(446,129)	623,394
Venture Investment Associates II	747,684	0	8	(16,777)	224,603	207,834	(99,905)	(356,884)	498,729
S.R. One Limited	560,780	0	6	(12,583)	168,452	155,875	(74,929)	(267,687)	374,039
Hillside Capital Incorporated	373,851	0	4	(8,389)	112,302	103,917	(49,953)	(178,443)	249,372
	\$22,988,380	\$0	\$259	(\$515,830)	\$6,905,665	\$6,390,094	(\$3,071,694)	(\$10,973,160)	\$15,333,620
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	22,160	55,010	3	(5,210)	69,754	64,547	(31,027)	(110,840)	(150)
Total Partnership	\$23,010,540	\$55,010	\$262	(\$521,040)	\$6,975,419	\$6,454,641	(\$3,102,721)	(\$11,084,000)	\$15,333,470

* - 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 December 31, 2003

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 12/31/03
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$27,919	(\$1,273,415)	(\$498,717)	(\$1,744,213)	(\$1,149,548)	(\$4,612,597)	\$0	\$2,493,642
Nassau Capital Funds	9,000,000	25,126	(1,146,076)	(448,844)	(1,569,794)	(1,034,591)	(4,151,350)	0	2,244,265
Robert Wood Johnson Foundation	7,500,000	20,939	(955,062)	(374,037)	(1,308,160)	(862,161)	(3,459,432)	0	1,870,247
State Teachers Ret. System of Ohio	6,992,127	19,525	(890,390)	(348,709)	(1,219,574)	(803,777)	(3,225,408)	0	1,743,368
Northwestern University	5,000,000	13,959	(636,709)	(249,359)	(872,109)	(574,772)	(2,306,335)	0	1,246,784
Fleet Growth Resources (Summit)	5,000,000	13,959	(636,709)	(249,359)	(872,109)	(574,772)	(2,306,335)	0	1,246,784
National Union Fire Ins. Co. of Pitts.	5,000,000	13,938	(594,766)	(810,867)	(1,391,695)	(325,009)	(1,414,077)	(1,869,219)	0
Pine Street Holdings I LLC	0	21	(41,943)	561,508	519,586	(249,763)	(892,258)	1,869,219	1,246,784
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	1,548	(197,386)	(461,303)	(657,141)	(794,848)	(800,971)	2,742,497	748,106
Wachovia Bank Pension Plan	3,000,000	8,376	(382,024)	(149,615)	(523,263)	(344,863)	(1,383,768)	0	748,106
UNISYS	2,500,000	6,980	(318,353)	(124,679)	(436,052)	(287,387)	(1,153,167)	0	623,394
Venture Investment Associates II	2,000,000	5,583	(254,682)	(99,744)	(348,843)	(229,909)	(992,519)	0	498,729
S.R. One Limited	1,500,000	4,188	(191,012)	(74,808)	(261,632)	(172,432)	(681,897)	0	374,039
Hillside Capital Incorporated	1,000,000	2,791	(127,344)	(49,872)	(174,425)	(114,954)	(461,249)	0	249,372
	\$61,492,127	\$171,680	(\$7,830,509)	(\$3,066,717)	(\$10,725,546)	(\$7,068,801)	(\$28,364,160)	\$0	\$15,333,620
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,733	(1,323,031)	98,651	(1,222,647)	1,042,904	(286,499)	0	154,891
Total Partnership	\$62,113,260	\$173,413	(\$9,153,540)	(\$2,968,066)	(\$11,948,193)	(\$6,025,897)	(\$28,650,659)	\$0	\$15,488,511

TO: The Limited Partners

FROM: John J. Park

DATE: January 19, 2004

SUBJECT: Portfolio Valuations for December 31, 2003

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

ACCENTCARE – In June 2001, AccentCare completed a \$24.5 million financing at \$0.9215 per share valuing the Company at \$54 million post-money after adjusting for the weighted average anti-dilution of the Series A and Series B Preferred. Two new investors, Three Arch Partners and Highland Capital Partners led this financing. Our investment is valued at the Series C price of \$0.9215, resulting in an unrealized loss of \$601,902 on our cost basis of \$4,500,002 as of December 31, 2003. This valuation represents no change from the valuation as of September 30, 2003.

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 December 31, 2003. This valuation represents no change from the valuation as of September 30, 2003.

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 December 31, 2003
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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 therefore has had to make substantial operational cutbacks. Accordingly, in Q1 2002 we decided to reduce the value of the Esurg investment to a minimal value of \$1,000. As of December 31, 2003, the Esurg investment is valued at \$1,000 resulting in a cumulative unrealized loss of \$3,998,999 on our cost basis of \$3,999,999. This valuation represents no change from the valuation as of September 30, 2003.

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, including \$250K in secured promissory notes, were completed in Q1 2002. At the end of Q1 2002, discussions were terminated with a potential acquirer and the company ceased operations. Accordingly, we reduced the value of the MedContrax investment to \$1,000. In June 2002, the assets of the company were sold, but we expect only a minimal return after satisfaction of the company's creditors. In Q3 2002, it was determined that the equity holders would receive no return from their investment. Therefore, we have written off the equity portion of the MedContrax investment. 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 December 31, 2003. This valuation represents no change from the valuation as of September 30, 2003.

Value Computation:

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

MOLECULAR MINING CORPORATION – During the first quarter of 2003, as the result of an inability to attain additional outside financing and the lack of sufficient operational progress to support continuing operations, management and the Board of Directors decided to cease operations and sell the assets of the company. Consequently, we have reduced the value of our Series A Preferred investment to a minimal value. This valuation produces an unrealized loss of \$999,000 on our investment cost basis of \$1,000,000 as of December 31, 2003. This valuation represents no change from the valuation as of September 30, 2003.

Value Computation:

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

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of December 31, 2003
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NDCHEALTH (TechRx) – 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 stock (NYSE:NDC). These shares were unregistered and therefore subject to Rule 144 trading restrictions. In June 2003, the one-year holding period was completed and the shares became saleable under Rule 144. During Q3 2003, Cardinal sold 18,982 shares of NDC stock, netting \$416,436. As a result, we have recorded a realized gain of \$322,228 (\$416,436 - \$94,208) and reversed a previously unrealized gain of \$149,616. On September 9, 2003, Cardinal completed a distribution of 192,000 shares at \$22.15 per share for a total distribution value of \$4,252,800. As a result, we have recorded a realized gain of \$3,299,904 (\$4,252,800 - \$952,896) and reversed a previously unrealized gain of \$1,513,344.

In October 2003, Cardinal distributed its remaining 192,000 shares of NDC common stock at \$23.60 per share for a total distribution value of \$4,531,200. As a result, in the current quarter, we have recorded a realized gain of \$3,578,304 (\$4,531,200 - \$952,896) and reversed a previously unrealized gain of \$1,862,784 related to these shares. After accounting for the distribution activity during this quarter, this valuation represents a decrease of \$2,815,680 from the valuation for the NDC common as of September 30, 2003.

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 has invested a total of \$331,812 in the Series C round (\$231,812 in June 2002 and \$100,000 in June 2003), 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, the resulting value for our NexCura investment is \$2,284,721, with an accumulated unrealized loss of \$2,547,091 on our cost basis of \$4,831,812. This valuation represents no change from the valuation as of September 30, 2003.

Value Computation:

Series B Convertible Preferred Stock		
10,224,654 shares x \$0.191	=	\$1,952,909
Series C Convertible Preferred Stock		
1,737,238 shares x \$0.191	=	<u>331,812</u>
Total Value		<u>\$2,284,721</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of December 31, 2003
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POINTSHARE – As reported previously, PointShare has sold both operating units of the company, netting a total of ~ \$5 million for distribution to the investors. No proceeds were accorded to the Series A or Series B investors and those investments have been written off. During 2002, Cardinal received a total of \$140,981 from the distributions of proceeds of the sales of PointShare's assets. There remains one escrow account from which the investors may receive proceeds in late 2003. As of the end of 2002, we have reduced the cost basis in our Series C holding from \$2,000,001 to \$1,859,020 and reduced the carrying value for the investment to \$1,000.

At the end of 2003, all of the remaining escrow has been dispersed to cover expenses or has been allocated. There will be no further disbursements to the shareholders. Accordingly, we have reduced the carrying value for the PointShare investment from \$1,000 to \$0, reversed the previously unrealized loss of \$1,858,020, and recorded a realized loss of \$1,859,020. This valuation represents a decrease of \$1,000 from our carrying value as of September 30, 2003.

VISICU (formerly IC-USA) – On June 8, 2000, VISICU completed a \$12 million financing at \$1.37 per share valuing the Company at \$28 million post-money. A new investor, Pacific Venture Group, led this financing. In June 2002, the current investors led a \$6.8 million financing priced at the same level as the Series B round and valuing the company at \$38 million post-money. Cardinal invested \$50,000 in this financing. As the company has not met operational expectations, in Q3 of 2001 we elected to value our Series A and Series B investment at one-half of the Series B price until a substantial improvement in operational results or an independent financing event. We propose to maintain this valuation for both the Series A and Series B investments and to carry the Series C investment at cost. This results in a carrying value of \$2,605,000, producing an unrealized loss of \$1,445,000 on our cost basis of \$4,050,000 as of December 31, 2003. This valuation represents no change from our carrying value as of September 30, 2003.

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 Investment Valuation Summary
For the Quarter Ended December 31, 2003

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 12/31/03</u>	<u>Fair Value 09/30/03</u>	<u>Change from Prior Quarter</u>	<u>Reason for Change</u>
AccentCare, Inc.	\$4,500,002	\$3,898,100	\$3,898,100	\$0	
AthenaHealth, Inc.	3,000,000	6,600,000	6,600,000	0	
Esurg Corporation	3,999,999	1,000	1,000	0	
MedContrax, Inc. (formerly Syntegra)	34,904	1,000	1,000	0	
Molecular Mining	1,000,000	1,000	1,000	0	
NDCHealth, Inc.	0	0	2,815,680	(\$2,815,680)	Distribution (note 1)
NexCura (formerly CancerFacts.com)	4,831,812	2,284,721	2,284,721	0	
Pointshare Corporation	0	0	1,000	(\$1,000)	Final Write-off of Escrow (note 2)
VISICU, Inc. (formerly ICUSA)	4,050,000	2,605,000	2,605,000	0	
Total Portfolio	\$21,416,717	\$15,390,821	\$18,207,501	(\$2,816,680)	

(1) During the quarter, Cardinal completed a distribution of 192,000 shares of NDC common stock at a value of \$4,531,200. This distribution represented all of the remaining shares of NDCHealth held by the partnership. As a result, we have reduced the carrying value for NDCHealth from \$2,815,680 to \$0, recorded a realized gain totaling \$3,578,304 (\$4,531,200 - \$952,896), and reversed the previously unrealized gain totaling \$1,862,784 related to these shares.

(2) The remaining proceeds held in reserve from the sale of Pointshare's assets have been expended or accounted for, with no additional releases of cash to the shareholders expected from escrow. Accordingly, we have reduced the carrying value for Pointshare to \$0, recording a realized loss of \$1,859,020 and reversing the previously unrealized loss of \$1,858,020.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 4th Quarter, 2003

While financial performance at AccentCare for Fiscal 2004 (FYE 3/31) has lagged plan, the new senior management team brought in at the end of last year has taken a number of significant strides towards improving performance. The list of accomplishments this year includes; the initiation of a worker's compensation self insurance program forecast to save over \$1 million in cost annually, a reduction of \$5.5 million in annual overhead costs, a doubling of the company's credit facilities, and the elimination of a 2 1/2% prompt payment discount with its largest east coast customer. The company's current annual revenue run rate is \$90 million, a growth of 64% over Fiscal 2003. Management expects to achieve sustainable profitability by the last quarter of calendar 2004.

In November, the company completed a \$15 million letter of credit with GMAC, doubling the previous receivables based credit facility. The expanded line will allow the company to eliminate prompt payment discounts with its primary customer on the east coast, while simultaneously improving EBITDA by \$900K annually. In conjunction with the closing of this facility, the company's current investors have agreed to bridge the company up to \$5 million in the form of convertible notes, to maintain a stipulated minimum cash balance over the coming year. Cardinal will not participate in this bridge financing.

Overall financial performance is behind plan, with results lagging expectations equally for both east and west coast operations. Revenues for the quarter were 30% below plan, at \$20.0 million vs. plan revenues of \$26.0 million. In December, AccentCare completed the acquisition of Arizona-based Evercare at Home. This acquisition is expected to contribute \$8 million in revenues and \$650K in EBITDA annually. Revenues for next quarter are expected to be \$21.7 million, including \$2.7 million from the acquisition of EverCare. Same store growth initiatives enacted in the fall of 2003 are expected to produce results as the company enters its next fiscal year.

Cash flow for the period was also below budget, with an average monthly cash burn of \$400K. Cash flow for the coming quarter is expected to improve substantially, reducing the average monthly cash burn to \$250K. In order to provide the company with a more adequate working capital cushion, management has recently begun a fundraising effort. The target is to raise \$7 million in new cash, of which, the existing investors will take up to the \$5 million they have already agreed to bridge the company. With sufficient resources, we remain optimistic that the new management team will deliver on its goals and provide a good return to the investors.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>FY01 Actual</i>	<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Projected*</i>
Revenues	18,530	22,502	54,815	82,900
Cost of Services	12,117	15,137	37,349	60,800
Operating Expenses	14,894	14,617	20,508	24,800
EBIT	-8,481	-7,252	-3,042	-2,700
Interest and Taxes	-264	102	-558	-1,885
Net Income	-8,745	-7,150	-3,600	-4,585

* - Fiscal year projection as of December 2003.

Last Three Months: Quarter Ended December 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	19,964	26,044	-6,080
Cost of Services	14,661	18,671	+4,010
Operating Expenses	6,040	6,494	+454
EBIT	-737	879	-1,616
Interest and Taxes	-598	-177	-421
Net Income	-1,335	702	-2,037

Fiscal Year-to-Date: Nine Months Ended December 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	61,040	73,671	-12,631
Cost of Services	44,929	53,084	+8,155
Operating Expenses	18,493	19,561	+1,068
EBIT	-2,382	1,026	-3,408
Interest and Taxes	-1,378	-534	-844
Net Income	-3,760	492	-4,252

ACCENTCARE, INC. (cont.)

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

Cash	\$ 4,242	Accounts Payable	\$ 769
Accounts Receivable	9,956	Accrued Expenses	4,326
Other Current Assets	<u>1,879</u>	Other Current Liabilities	<u>6,690</u>
Total Current Assets	16,077	Total Current Liabilities	11,785
Net PP&E	1,385	Long Term Debt	10,681
Intangibles (Net)	10,245	Shareholders Equity	44,780
Other Assets	<u>851</u>	Retained Earnings	<u>-38,688</u>
Total Assets	<u>\$28,558</u>	Total Liabilities & Equity	<u>\$28,558</u>

Comments:

The company is \$1 million behind its cash forecast for the year. We expect operating cash burn to improve and fall below \$250K by the end of Fiscal 2004. Working capital will be supported by the new credit facility that currently has \$10 million available.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	2,500,000 shares
Common Stock Equivalents	2,620,837 shares
Assigned Fair Value (2,620,837 CSE's x \$0.9215)	\$2,415,101
Investment Cost	\$2,500,000
Cost per Common Stock Equivalent	\$0.954
Series B Convertible Preferred Stock	1,176,472 shares
Common Stock Equivalents	1,609,331 shares
Assigned Fair Value (1,609,331 CSE's x \$0.9215)	\$1,482,999
Investment Cost	\$2,000,002
Cost per Common Stock Equivalent	\$1.243
% Ownership (Full Dilution)	7.1%
Company Valuation at Cardinal Cost	\$64.4 million
Company Valuation at Assigned Fair Value	\$59.9 million

Outlook:

As the new management team implements its plan to improve operational and financial performance, we remain cautiously optimistic about the prospects for AccentCare.

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

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 4th Quarter, 2003

Athena exhibited solid financial performance throughout 2003. Revenues for the year grew by 106% and sales grew by 53% over 2002. YTD revenues are within 4% of budget, with a very strong sales pipeline entering 2004. Gross margins exceeded plan, but higher operating expenses, primarily related to sales and marketing, led the company to miss its EBITDA goal. Operating cash flow was positive for the last two months of 2003. The company is on track towards attaining sustainable cash flow break even in the 1st quarter of 2004. The company achieved a key marketing win with its year-end #1 rating by KLAS ("Best in KLAS"), the J.D. Powers/Consumer Reports of the healthcare information technology industry.

Revenue variance for 2003 is attributable to lower than expected sales in the first quarter of the year. Margins have shown considerable improvement over the past 9 months and exceeded plan for the year. Expenses are higher than plan primarily due to accelerated sales and marketing expenditures in Q4 of 2003. With the completion of a new \$6 million credit facility in December, the company has more than adequate capital resources for at least the next 18-24 months. We believe that Athena will be financially self-sustaining until a liquidity event for the investors.

Looking ahead, the contract base has reached \$40 million in annual revenue, with \$32 million installed. The 2004 budget shows revenues exceeding \$40 million, with the company achieving sustainable profitability in July 2004. The company has a strong balance sheet and enters 2004 as an attractive candidate for a liquidity event in the next 12-18 months with its robust recurring revenue model and strong margins. As the year came to a close, the company received an unsolicited offer from an independent investor for a potential \$5 million equity investment at a pre-money value of \$142 million. We remain very excited about the prospects for the Athena investment.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Actual*</i>	<i>2004 Budget</i>
Revenues	3,459	11,985	24,671	40,196
Direct Expenses	6,480	10,137	16,148	22,679
SG&A	9,278	8,860	10,496	13,737
EBITDA	-12,299	-7,012	-1,973	-3,780
Depreciation	1,636	2,493	2,867	3,500
Interest and Taxes	855	-55	-443	-837
Net Income	-13,080	-9,560	-5,283	-557

* - Subject to Audit

Last Three Months: Quarter Ended December 31, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	7,520	8,155	-635
Direct Expenses	4,548	4,726	+178
SG&A	3,063	2,822	-241
EBITDA	-91	607	-698
Depreciation	745	840	+95
Interest and Taxes	-183	-137	-46
Net Income	-1,019	-370	-649

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

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	24,671	25,706	-1,035
Direct Expenses	16,148	16,897	+749
SG&A	10,496	9,813	-683
EBITDA	-1,973	-1,004	-969
Depreciation	2,867	3,174	+307
Interest and Taxes	-443	-432	-11
Net Income	-5,283	-4,610	-673

** - 2003 Budget revised – February 2003

ATHENAHEALTH, INC. (cont.)

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

Cash	\$ 9,108	A/P and Accrued Expenses	\$ 3,530
Accounts Receivable	3,698	Deferred Revenue	2,315
Other Current Assets	<u>614</u>	Current Portion of Debt	<u>3,297</u>
Total Current Assets	13,420	Total Current Liabilities	9,142
Net PP&E	3,231	Long Term Debt	7,330
Intangibles (Net)	2,032	Shareholders Equity	43,341
Other Assets	<u>260</u>	Retained Earnings	<u>-40,870</u>
Total Assets	<u>\$18,943</u>	Total Liabilities & Equity	<u>\$18,943</u>

Comments:

Operating cash burn for the year was \$250K higher than forecast. With the closing of the new sub-debt facility and an increase to its working capital line, the company has a strong balance sheet entering 2004. The company will be cash flow breakeven by the end of the first quarter of 2004.

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	\$37.0 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: 4th Quarter, 2003

While revenues did not meet expectations for 2003, management continues to operate the company in a very efficient manner, ending the year ahead of plan for gross margin, EBITDA and cash burn. During the quarter, management identified a potential merger candidate from the traditional medical supply distribution business. Management has forecasted that an investment of \$3 million would be needed to support the combined entity to profitability. This is the most viable long-term initiative that has surfaced during 2003 and management was directed to complete negotiations and due diligence.

Revenues of \$2.4 million for the quarter were up 10% from the previous quarter, but only 62% of plan. Gross margins grew to 13% and remain well ahead of plan. Operating expenses were slightly lower than last quarter and also ahead of plan, resulting in a positive net income variance of 8%. Year to date the company is 25% behind its revenue forecast, but ahead of plan in terms of net income and cash burn. The cash balance at the end of the quarter was \$2.3 million, \$250K ahead of plan. With cash burn running at ~ \$200K per month the company can operate at this level through the end of 2004.

In December, management came to terms on a potential merger with a Midwest-based medical supply distributor. The combination of the two companies offers synergies through application of the Esurg model on current customers and sales expansion utilizing the target company's market sponsor model. The combined company forecasts revenues of \$12.5 million for 2004, growing to \$38 million by 2006. Net loss is forecast at \$4 million for 2004, with the company turning profitable in the latter half of 2005. The merger would require an additional \$3 million of new financing. Lead investor, Polaris Ventures, has agreed in principal to lead a financing if the transaction can be completed.

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

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Actual*</i>	<i>2004 Budget**</i>
Revenues	5,339	9,803	9,216	12,547
Cost of Sales	5,278	8,839	8,127	10,248
Operating Expenses	12,148	8,559	5,106	6,357
EBIT	-12,087	-7,595	-4,017	-4,058
Interest and Taxes	304	198	42	41
Net Income	-11,783	-7,397	-3,975	-4,017

* - Subject to Audit

** - Budget assumes merger with ILS effective April 1, 2004

Last Three Months: Quarter Ended December 31, 2003

	<i>Actual</i>	<i>Budget***</i>	<i>Variance</i>
Revenues	2,400	3,894	-1,494
Cost of Sales	2,103	3,471	+1,368
Operating Expenses	1,160	1,367	+207
EBIT	-863	-944	+81
Interest and Taxes	5	15	-10
Net Income	-858	-929	+71

Fiscal Year-to-Date: Twelve Months ended December 31, 2003

	<i>Actual</i>	<i>Budget***</i>	<i>Variance</i>
Revenues	9,216	12,309	-3,093
Cost of Sales	8,127	10,966	+2,839
Operating Expenses	5,106	5,589	+483
EBIT	-4,017	-4,246	+229
Interest and Taxes	42	101	-59
Net Income	-3,975	-4,145	+170

*** - 2003 Budget revised – February 2003

ESURG CORPORATION (cont.)

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

Cash	\$ 2,278	Accounts Payable	\$ 476
Accounts Receivable	922	Accrued Expenses	127
Other Current Assets	<u>387</u>	Other Current Liabilities	<u>272</u>
Total Current Assets	3,587	Total Current Liabilities	875
Net PP&E	205	Long Term Debt	0
Intangibles (Net)	241	Shareholders Equity	40,904
Other Assets	<u>241</u>	Retained Earnings	<u>-37,505</u>
Total Assets	<u>\$ 4,274</u>	Total Liabilities & Equity	<u>\$ 4,274</u>

Comments:

Average monthly burn for the quarter was approximately \$200K. Under the current plan, the company can keep operating at this level through the end of 2004, while management and the investors try to map out a strategy to maximize the return on our investment.

Cardinal Health Partners Holdings:

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

Outlook:

Expectations are low for a return from the Esurg investment.

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

Wholesale Price Clearing House for Pharmaceuticals Market

Period Summary: 4th Quarter, 2003

There is no new activity to report for the quarter relative to our investment in MedContrax. In June 2002, 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 2003. 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 investor notes is \$34,904.

Investor counsel continues to believe that distributable proceeds from the sale will range from \$1.0 to \$1.2 million. The current estimate of counsel is that the investors can expect to receive 50-75% back on the value of their promissory notes. While we expected this process to be completed by the end of the year, creditor counsel has delayed the agreed settlement and we are now hoping to have a resolution in Q1 of 2004.

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: 4th Quarter, 2003

By the end of the current quarter the company has been officially liquidated and legally dissolved. The only remaining outstanding item is the sale and/or licensing of the company's intellectual property. PARTEQ Innovations is acting as agent to sell the intangible assets of the company. The agreement contains a revenue sharing component whereby PARTEQ will receive a ramping percentage of the proceeds, based upon the overall amount of the sale. Under the terms of the agreement, if the intangible assets are sold/licensed for a total of under \$25.5 million, the proceeds will be split solely between the Series B Preferred shareholders and PARTEQ. The Series A investors and the common shareholders would receive no return on their investment. As we believe that the total proceeds from the sale will be at most \$3-5 million, it is virtually certain that we will receive no return on the Cardinal Health Partners, L.P. investment.

It is expected that PARTEQ transaction will be complete by the end of 2004.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	1,000,000 shares
Assigned Fair Value	\$1,000
Investment Cost	\$1,000,000
Cost per Share	\$1.00

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

eCare Tools for Chronic Disease Management

Period Summary: 4th Quarter, 2003

2003 has been a year of transition for NexCura. Financial results were significantly affected by an unfavorable economic climate for many customers, leading to project delays or cancellations. This resulted in a considerable revenue shortfall as compared to plan. To counteract this, in September management enacted significant reductions in expenses so as to be cash flow neutral based upon the current revenue forecast. Management also initiated new programs to develop recurring business around recruiting participants for custom market research studies. As the company ends the year, the revenue base is largely derived from long-term subscription based contracts, as opposed to short-term projects.

Financial results for the quarter and the year reflect the impact of the revenue shortfall for the year. The company operated at cash flow breakeven for the last quarter of 2003, with management confident that the company will be self-sustaining through 2004. The company has recently closed a \$650K receivables credit facility that will help them meet their cash requirements through the uneven cash flow streams inherent in many of their contracts. We do not believe the company will require additional financing during 2004.

The sales pipeline is building and should produce sufficiently to meet management's modest goals for the next 12 months. The 2004 budget shows revenues of \$3.4 million, with the company operating on a marginally profitable basis each quarter. Over 85% of the 2004 revenue forecast represents contracts already signed or continuations of existing agreements. The investors are working closely with CEO Peter Hoover to ensure that the company remains operating at cash flow breakeven while allowing sales momentum to build. While the future outlook is brighter, cash will be tight for the next 12 months.

NEXCURA, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Actual*</i>	<i>2004 Budget</i>
Revenues	1,521	3,018	2,680	3,412
Cost of Sales	0	287	264	78
Operating Expenses	3,861	4,324	4,361	3,107
EBIT	-2,340	-1,593	-1,945	227
Interest and Taxes	-1,355	-83	2	-178
Net Income	-3,695	-1,676	-1,943	49

* Subject to Audit

Last Three Months: Quarter Ended December 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	883	1,927	-1,044
Cost of Sales	67	72	+5
Operating Expenses	864	1,710	+846
EBIT	-48	145	-193
Interest and Taxes	-1	-24	+23
Net Income	-49	121	-170

Fiscal Year-to-Date: Twelve Months ended December 31, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	2,680	6,891	-4,211
Cost of Sales	264	305	+41
Operating Expenses	4,361	6,693	+2,332
EBIT	-1,945	-107	-1,838
Interest and Taxes	2	-76	+78
Net Income	-1,943	-183	-1,760

NEXCURA, INC. (cont.)

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

Cash	\$ 328	Accounts Payable	\$ 356
Accounts Receivable	607	Accrued Expenses	342
Other Current Assets	<u>21</u>	Deferred Revenue	<u>687</u>
Total Current Assets	956	Total Current Liabilities	1,385
Net PP&E	107	LOC and Other Liabilities	151
Intangibles (Net)	188	Shareholders Equity	17,283
Other Assets	<u>58</u>	Retained Earnings	<u>-17,510</u>
Total Assets	<u>\$ 1,309</u>	Total Liabilities & Equity	<u>\$ 1,309</u>

Comments:

The lower than expected results for this year have forced management to take appropriate actions to maintain current capital resources. The company has implemented a reduced expenditure plan sufficient to sustain operations at the current revenue levels.

Cardinal Health Partners Holdings:

Series B Convertible Preferred Stock	5,184,331 shares
Common Stock Equivalents	10,224,654 shares
Assigned Fair Value (10,224,654 CSE's x \$0.191)	\$1,952,909
Investment Cost	\$4,500,000
Cost per Share	\$0.868
Series C Convertible Preferred Stock	1,737,238 shares
Assigned Fair Value (Investment Cost)	\$331,812
Investment Cost	\$331,812
Cost per Share	\$0.191
Common and Preferred Stock Warrants	288,912
Average Exercise Price Per Share	\$0.074
% Ownership (Full Dilution)	16.0%
Company Valuation at Cardinal Cost	\$30.1 million
Company Valuation at Assigned Fair Value	\$14.3 million

Outlook:

With the company experiencing a difficult year, we are more guarded about the prospects for NexCura.

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

Infrastructure Application Provider for Physician Practices

Period Summary: 4th Quarter, 2003

At the end of 2003, all of the remaining escrow from the sale of PointShare's assets in 2001 has been dispersed to cover expenses or has been allocated to cover known liabilities. There will be no further disbursements to the shareholders. Accordingly, we have reduced the carrying value for the PointShare investment from \$1,000 to \$0, reversed the previously unrealized loss of \$1,858,020, and recorded a realized loss of \$1,859,020.

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

Leading Software Systems for High Volume Prescription Fulfillment

Period Summary: 4th Quarter, 2003

On October 9, 2003, Cardinal distributed its remaining 192,000 shares of NDC common stock at \$23.60 per share for a total distribution value of \$4,531,200. As a result, we have recorded a realized gain of \$3,578,304 (\$4,523,100 - \$952,896) and reversed a previously unrealized gain of \$1,862,784 related to these shares.

In review, Cardinal made an original \$3,000,000 investment in TechRx in September of 1999, followed by a \$1,000,000 follow-on investment in January 2001 and \$115,000 in May 2002. The company was sold to NDCHealth Corporation in a two-step transaction with an initial closing in May of 2002 and a final closing in May of 2003. In total, Cardinal received \$8,749,004 in cash plus 402,982 shares of NDCHealth (NYSE:NDC) common stock. The NDC stock was sold or distributed netting a total value of \$9,200,436.

Accordingly, the cumulative return from the TechRx investment of \$4,115,000 was \$17,949,440, realizing a 4.4X multiple and a 56.1% IRR over the life of the investment. Cumulative cash and in-kind distributions totaling \$16,584,000 were made to the partners during 2002 and 2003 related to the TechRx investment.

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

Remote Monitoring Services for Intensive Care Hospital Units

Period Summary: 4th Quarter, 2003

During the quarter, VISICU continued to have good success in closing new clients, closing five in the current quarter. VISICU enters 2004 with 14 hospitals under contract, four of which are activated with 365 ICU beds under management. The company ended the year with a contract backlog exceeding \$24 million, representing over 700 ICU beds. The 2004 budget calls for the addition of 16 new clients, the activation of 17 clients and a contract backlog in excess of \$50 million at year-end.

Financial results for the year were behind plan primarily due to a GAAP mandated accounting change related to revenue recognition on its contracts. Financial statements for the first six months of 2003 were restated with a resulting \$1.5 million reduction in revenue. This amount is now reflected in the balance sheet and will be recognized ratably over the term of the respective contracts. Operating expenses fell behind plan at the end of the year due to higher than forecast headcount gearing up for new contract implementations.

Financial results for the quarter were behind plan due to lower than forecast contract signings during the first nine months of the year. As a result, implementations were begun later than forecast and only one new client activation occurred during the quarter. Operating expenses were higher than plan for the quarter due to higher than forecast headcount gearing up for implementations. The company was cash flow positive for the quarter.

While accounting change implemented in 2003 defers revenues and reported income for the next two years, it does not affect the cash flow of the company. The cash balance at December 31 continues to be ahead of forecast. The company was cash flow positive for the last six months of 2003 and management forecasts not even utilizing the \$2 million credit facility for at least the next nine months.

We remain very excited about the prospects for VISICU as the company moves through its first year of large-scale operations. CEO Frank Sample has moved the company full speed ahead on the sales and marketing front, while exercising sound control over cash burn. We are very optimistic about the company's prospects for building itself into a significant next generation healthcare company.

VISICU, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Actual*</i>	<i>2004 Budget</i>
Revenues	1,429	2,380	2,218	7,322
Cost of Sales	1,824	1,638	769	1,748
Operating Expenses	7,049	7,718	9,862	11,594
EBIT	-7,444	-6,976	-8,413	-6,020
Interest and Taxes	232	36	6	-425
Net Income	-7,212	-6,940	-8,407	-6,445

* - Subject to Audit

Last Three Months: Quarter Ended December 31, 2003

	<i>Actual**</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	710	1,848	-1,138
Cost of Sales	217	397	+180
Operating Expenses	2,700	1,927	-773
EBIT	-2,207	-476	-1,731
Interest and Taxes	0	1	-1
Net Income	-2,207	-475	-1,732

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

	<i>Actual**</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	2,218	3,987	-1,769
Cost of Sales	769	1,150	+381
Operating Expenses	9,862	9,453	-409
EBIT	-8,413	-6,616	-1,797
Interest and Taxes	6	3	+3
Net Income	-8,407	-6,613	-1,794

** - 2003 financials and budgets revised in August for changes in revenue recognition.

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

Cash	\$ 2,493	Accounts Payable	\$ 224
Accounts Receivable	2,303	Accrued Expenses	1,394
Prepaid Expenses	<u>285</u>	Deferred Revenue	<u>13,229</u>
Total Current Assets	5,081	Total Current Liabilities	14,847
Net PP&E	716	Note Payable & LTD	0
Deferred Costs	2,208	Shareholders Equity	31,823
Other Assets	<u>0</u>	Retained Earnings	<u>-38,665</u>
Total Assets	<u>\$ 8,005</u>	Total Liabilities & Equity	<u>\$ 8,005</u>

Comments:

The cash balance at the end of the quarter was \$2.5 million slightly higher than projected. The company was actually cash flow positive for the last six months of 2003. The company has an untapped \$2 million credit facility in place to cover any temporary cash shortages.

Cardinal Health Partners Holdings:

Series A Convertible Preferred Stock	3,000,000 shares
Assigned Fair Value (3,000,000 x \$1.37 x 50%)	\$2,055,000
Investment Cost	\$3,000,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	729,927 shares
Assigned Fair Value (729,927 x \$1.37 x 50%)	\$500,000
Investment Cost	\$1,000,000
Cost per Share	\$1.37
Series C Convertible Preferred Stock	36,496 shares
Assigned Fair Value (Investment Cost)	\$50,000
Investment Cost	\$50,000
Cost per Share	\$1.37
% Ownership (Full Dilution)	14.0%
Company Valuation at Cardinal Cost	\$27.8 million
Company Valuation at Assigned Fair Value	\$17.9 million

Outlook:

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