

CARDINAL HEALTH PARTNERS, L.P.

QUARTERLY REPORT

4th QUARTER, 2004

The information set forth in this report is confidential. It includes trade secrets and proprietary commercial and financial information regarding the business, operations and financial condition of one or more of the investment partnerships (the “Funds”) affiliated with CARDINAL PARTNERS and such Funds’ respective portfolio companies. This information is provided with the understanding that each limited partner will maintain the strict confidentiality of the information and will use it solely in respect of such limited partner’s participation as an investor in one or more of the Funds and not for any other purpose. No limited partner may disclose or reproduce any portion of the information contained in this report without the prior consent of CARDINAL PARTNERS.

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.

QUARTERLY REPORT

4th QUARTER, 2004

TABLE OF CONTENTS

QUARTERLY ACTIVITY SUMMARY	1
FINANCIAL STATEMENTS	3
SUMMARY VALUATION MEMO	13
ACCENTCARE, INC.	17
ATHENAHEALTH, INC.	20
GROUP SOURCE SOLUTIONS, INC. (Formerly ESURG CORPORATION)	23
MEDCONTRAX (Formerly SYNTEGRA HEALTHCARE)	24
MOLECULAR MINING CORPORATION	25
NEXCURA, INC. (Formerly CANCERFACTS.COM)	26
VISICU, INC. (Formerly IC-USA, INC.)	29

TO: The Limited Partners

FROM: John K. Clarke

DATE: February 28, 2005

SUBJECT: Activity for the Quarter ended December 31, 2004

During the quarter, the portfolio continued its progress towards building value and liquidity. Our portfolio leading company's Athena and VISICU both continued to meet or exceed aggressive growth forecasts and maintain their steady progression towards profitability. Financial performance at AccentCare has shown great improvement over the year, while capital resources remain tight. Nexcura continues to face challenges in its DTC messaging business due to customer program reductions and we are actively looking for an acquirer. A synopsis of activity for the quarter at each active portfolio company follows.

AccentCare – Financial performance at AccentCare has improved substantially over last year. Revenues have grown 13%, gross margin has improved, overhead has been reduced by almost 10% and EBITDA has improved by \$1.7 million. While the company is not yet achieving its forecast, the management team put in place during 2003 has done a great job improving performance both operationally and financially. The company has a current annual revenue run rate of \$95 million and has been EBITDA positive for five consecutive months. Management expects the company to be EBITDA positive for the last three months of Fiscal 2005 (FYE 3/31) with continued growth in EBITDA over the next 12 calendar months. In order to meet reserve requirements for its workers compensation self insurance program and maintain its current credit facility covenants, the company will likely require \$2 million in additional financing in early Fiscal 2006. At this point, the investor syndicate is inclined to add the additional \$2 million to the current \$10 million in convertible notes. Unless the company completes an acquisition, there should be no further financing necessary during Fiscal 2006.

AthenaHealth – Athena posted excellent financial results for 2004. The company posted better than forecast results for all metrics except revenues. Athena missed its revenue target for the year due to the combination of implementations lagging expectations, plus lower than forecast sales for Q4. The sales pipeline entering 2005 is strong with a forecast of \$8.4 million for the first quarter. The forecast for 2005 shows revenues growing to almost \$60 million with the company operating at cash flow positive, while continuing its infrastructure investment for anticipated long-term growth. With the completion of the \$6.5 million financing in April 2004, the company has more than adequate capital resources to support its continued growth and infrastructure investment. The company has a strong balance sheet coupled with a robust recurring revenue model and strong margins. We view Athena as a very attractive candidate for a liquidity event in the next 12-15 months and remain excited about the prospects for our investment.

NexCura – 2004 was a challenging year for NexCura. During the year, multiple pharmaceutical company customers have faced internal program cutbacks, leading to multiple project delays or cancellations. The suspension of one large DTC messaging program in Q1 and contract delays at other messaging customers are the primary drivers for the revenue shortfall in the current quarter as well as for the year. The company's legacy licensing and sponsorship programs continue to perform ahead of plan. Management has reduced expenditures as much as possible without impacting ongoing contracts and some promising sales initiatives. The outlook for 2005 is more promising, but the company will likely require a capital infusion of \$200-\$400K. Management is confident of completing this financing from a rights offering to the pre-venture investors.

Visicu – 2004 was a good year for VISICU with the addition of 11 new hospital systems as clients, adding over 1,000 ICU beds. The company ended 2004 with a contract backlog exceeding \$44 million, representing over 1,700 beds, a more than doubling of beds under management during the year. The company is entering 2005 with 23 customers, 17 of which are activated, monitoring 1,093 beds. Management expects to add 16 new customers during 2005, with the company ending the year with a contracted backlog over \$60 million. The plan for 2005 shows revenue growth of 250%, much of which is already under contract, the activation of 13 new sites, positive cash flow for each month of the year and the attainment of sustainable profitability in the second half of the year.

Included in this report are financial statements for the period, an investment valuation memorandum and a report on each of our portfolio companies.

Financial Results:

Net loss for the quarter was \$47K, primarily representing the net operating expenses for the period. YTD net income for 2004 was \$2.7 million. Income for the year consists of net operating expenses of \$417K, realized losses of \$1 million, substantially from the write-off of Molecular Mining, and unrealized gains of \$4.1 million consisting of \$4.2 million from the write-up for Athena plus the reversal of a \$1 million previously unrealized loss related to Molecular Mining, offset by the \$1.1 million write-down for NexCura. There was no investment activity during the period. The cash balance at the end of the period was \$12K, with partners' net assets totaling \$18.2 million. A new schedule has been added to the end of the financial reporting section that summarizes the cumulative fund gains and losses by portfolio investment.

Looking forward:

We were delighted to host many of you at the Limited Partner Annual Meeting in New York on December 1, 2004. We are confident that the portfolio company presentations at the meeting have demonstrated to you that the value potential of the portfolio is substantially greater than that of our current carrying value. We are diligently pursuing all avenues to realize that value. We remain committed to achieving the best possible return for our investors and appreciate your input and support.

CARDINAL HEALTH PARTNERS, L.P.
Income Statement
For the Period Ended December 31, 2004

	Three Months Ended 12/31/04	Twelve Months Ended 12/31/04
Revenue:		
Non Portfolio Income	\$13	\$113
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	58,932	391,091
Professional Fees	5,000	23,000
NVCA Dues & Expenses	0	2,587
Amortization of Organization Costs	0	0
Annual Meeting & Misc. Expenses	8,269	11,151
Total Expenses	72,201	427,829
Net Operating Expense	(72,188)	(427,716)
Investment Income	2,736	10,883
Net Income Before Gains (Losses)	(69,452)	(416,833)
Realized Gains (Losses)	(1,011,068)	(987,613)
Unrealized Gains (Losses)	1,032,904	4,090,543
Net Income (Loss)	(\$47,616)	\$2,686,097

CARDINAL HEALTH PARTNERS, L.P.
Balance Sheet
As of December 31, 2004

ASSETS:	Period Ended 12/31/04	Period Ended 09/30/04
Cash and Short-Term Investments	\$11,382	\$9,338
Accrued Interest	12,532	9,796
Escrow for Investment	0	0
Venture Capital Investments	18,446,460	18,448,460
Receivable from Portfolio Company	21,804	0
Other Assets	156,091	156,091
	<u>\$18,648,269</u>	<u>\$18,623,685</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$473,661	\$401,461
Investment due Portfolio Company	0	0
Partners' Accounts	18,174,608	18,222,224
Total Liabilities and Capital	<u>\$18,648,269</u>	<u>\$18,623,685</u>

CARDINAL HEALTH PARTNERS, L.P.

Footnotes

As of December 31, 2004

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>12/31/04</u>	<u>09/30/04</u>
Organization Costs	\$179,000	\$179,000
Accumulated Amortization	<u>(179,000)</u>	<u>(179,000)</u>
Total	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Note 3 - General Partner Promissory Notes:	<u>12/31/04</u>	<u>09/30/04</u>
GP Promissory Note Principal	\$155,041	\$155,041
Prepaid NJ State Filing Fees	<u>1,050</u>	<u>1,050</u>
Total	<u><u>\$156,091</u></u>	<u><u>\$156,091</u></u>

Note 4 - Accrued Expenses:	<u>12/31/04</u>	<u>09/30/04</u>
Accounting & Audit	\$21,000	\$16,000
Management Fees	441,091	382,159
NVCA Dues and Other	11,570	3,302
Legal & Other Professional Fees	<u>0</u>	<u>0</u>
Total	<u><u>\$473,661</u></u>	<u><u>\$401,461</u></u>

Note 5 – Financial Highlights (Return & IRR):	<u>Net to LP's</u>	<u>Total Fund</u>
Year-to-Date Return on Net Assets	17.34%	17.34%
Internal Rate of Return Since Inception	-7.39%	-7.39%

CARDINAL HEALTH PARTNERS, L.P.
Statement of Cash Flows
For the Period Ended December 31, 2004

	Three Months Ended 12/31/04	Twelve Months Ended 12/31/04
Cash flows from operating activities		
Net Income Before Gains (Losses)	(\$69,452)	(\$416,833)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	(2,736)	(10,883)
Net Organization Costs	0	0
Other Assets	(21,804)	(22,854)
Accrued Expenses & Payables	72,200	320,655
Net Cash used in Operating Activities	(21,792)	(129,915)
Cash flows from investing activities		
Purchases of venture capital investments	0	0
Sales of venture capital investments	23,836	47,291
Net cash used in investing activities	23,836	47,291
Cash flows from financing activities		
Cash contributions by partners	0	0
Cash distribution to partners	0	0
Net cash provided by financing activities	0	0
 Net Change in Cash and Short Term Investments	 2,044	 (84,624)
Cash and Short Term Investments, beginning	9,338	94,006
Cash and Short Term Investments, ending	\$11,382	\$11,382

CARDINAL HEALTH PARTNERS, L.P.
Schedule of Venture Capital Investments
As of December 31, 2004

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	10,799,999	7,799,999
Group Source, Inc. (eSurg)	0	3,999,999	3,999,999	1,000	(3,998,999)
NexCura (CancerFacts)	0	4,831,812	4,831,812	1,142,361	(3,689,451)
VISICU, Inc. (ICUSA)	0	4,050,000	4,050,000	2,605,000	(1,445,000)
Totals	\$0	\$20,381,813	\$20,381,813	\$18,446,460	(\$1,935,353)

Cardinal Health Partners, L.P.
Statement of Partners' Contributions Accounts
As of December 31, 2004

	Partners' Total Subscription	Contributions Account 09/30/04	Period Contribution in Cash	Period Contribution by Note	Contributions Account 12/31/04	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	0	0	621,133	0
Total Partnership	\$62,113,260	\$62,113,260	\$0	\$0	\$62,113,260	\$0

Cardinal Health Partners, L.P.
Statement of Partners' Distributive of Net Assets
For the Period Ended December 31, 2004

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 12/31/04
<u>Limited Partners</u>							
LACERA	\$2,969,861	\$0	\$1,831	\$30,659	\$3,002,351	(\$76,258)	\$2,926,093
Nassau Capital Funds	2,672,863	0	1,648	27,592	2,702,103	(68,632)	2,633,471
Robert Wood Johnson Foundation	2,227,413	0	1,374	22,993	2,251,780	(57,194)	2,194,586
State Teachers Ret. System. of Ohio	2,076,344	0	1,281	21,435	2,099,060	(53,316)	2,045,744
Northwestern University	1,484,894	0	916	15,329	1,501,139	(38,129)	1,463,010
Fleet Growth Resources (Summit Bank)	1,484,894	0	916	15,329	1,501,139	(38,129)	1,463,010
Pine Street Holdings I LLC	1,484,894	0	916	15,329	1,501,139	(38,129)	1,463,010
WIN 4 Holdings LLC	890,972	0	549	9,198	900,719	(22,878)	877,841
Wachovia Bank Pension Plan	890,972	0	549	9,198	900,719	(22,878)	877,841
UNISYS	742,449	0	458	7,664	750,571	(19,064)	731,507
Venture Investment Associates II	593,974	0	366	6,132	600,472	(15,252)	585,220
S.R. One Limited	445,472	0	275	4,599	450,346	(11,439)	438,907
Hillside Capital Incorporated	296,994	0	183	3,066	300,243	(7,626)	292,617
	\$18,261,996	\$0	\$11,262	\$188,523	\$18,461,781	(\$468,924)	\$17,992,857
<u>General Partner</u>							
Cardinal Health Partners Mgmt.	184,464	0	120	1,904	186,488	(4,737)	181,751
Total Partnership	\$18,446,460	\$0	\$11,382	\$190,427	\$18,648,269	(\$473,661)	\$18,174,608

Cardinal Health Partners, L.P.
Statement of Partners' Capital *
For the Twelve Months Ended December 31, 2004

	Partners' Capital 01/01/04	Net Capital Contributions	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partners' Capital 12/31/04
<u>Limited Partners</u>									
LACERA	\$2,493,642	\$0	\$18	(\$67,127)	(\$159,003)	(\$226,112)	\$658,563	\$0	\$2,926,093
Nassau Capital Funds,	2,244,265	0	16	(60,414)	(143,102)	(203,500)	592,706	0	2,633,471
Robert Wood Johnson Foundation	1,870,247	0	14	(50,345)	(119,251)	(169,582)	493,921	0	2,194,586
State Teachers Ret. System of Ohio	1,743,368	0	13	(46,936)	(111,176)	(158,099)	460,475	0	2,045,744
Northwestern University	1,246,784	0	9	(33,563)	(79,501)	(113,055)	329,281	0	1,463,010
Fleet Growth Resources (Summit)	1,246,784	0	9	(33,563)	(79,501)	(113,055)	329,281	0	1,463,010
Pine Street Holdings I LLC	1,246,784	0	9	(33,563)	(79,501)	(113,055)	329,281	0	1,463,010
WIN 4 Holdings, LLC.	748,106	0	5	(20,138)	(47,701)	(67,834)	197,569	0	877,841
Wachovia Bank Pension Plan	748,106	0	5	(20,138)	(47,701)	(67,834)	197,569	0	877,841
UNISYS	623,394	0	5	(16,782)	(39,750)	(56,527)	164,640	0	731,507
Venture Investment Associates II	498,729	0	4	(13,425)	(31,800)	(45,221)	131,712	0	585,220
S.R. One Limited	374,039	0	3	(10,069)	(23,850)	(33,916)	98,784	0	438,907
Hillside Capital Incorporated	249,372	0	2	(6,713)	(15,900)	(22,611)	65,856	0	292,617
	\$15,333,620	\$0	\$112	(\$412,776)	(\$977,737)	(\$1,390,401)	\$4,049,638	\$0	\$17,992,857
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	(150)	0	1	(4,170)	(9,876)	(14,045)	40,905	0	26,710
Total Partnership	\$15,333,470	\$0	\$113	(\$416,946)	(\$987,613)	(\$1,404,446)	\$4,090,543	\$0	\$18,019,567

* - 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, 2004

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income (Loss)	Realized Gains (Losses)	Total Income (Loss)	Unrealized Gains (Losses)	Distributions	Partner Transfer	Partners' Account 12/31/04
<u>Limited Partners</u>									
LACERA	\$10,000,000	\$27,937	(\$1,340,542)	(\$657,720)	(\$1,970,325)	(\$490,985)	(\$4,612,597)	\$0	\$2,926,093
Nassau Capital Funds	9,000,000	25,142	(1,206,490)	(591,946)	(1,773,294)	(441,885)	(4,151,350)	0	2,633,471
Robert Wood Johnson Foundation	7,500,000	20,953	(1,005,407)	(493,288)	(1,477,742)	(368,240)	(3,459,432)	0	2,194,586
State Teachers Ret. System of Ohio	6,992,127	19,538	(937,326)	(459,885)	(1,377,673)	(343,302)	(3,225,408)	0	2,045,744
Northwestern University	5,000,000	13,968	(670,272)	(328,860)	(985,164)	(245,491)	(2,306,335)	0	1,463,010
Fleet Growth Resources (Summit)	5,000,000	13,968	(670,272)	(328,860)	(985,164)	(245,491)	(2,306,335)	0	1,463,010
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	30	(75,506)	482,007	406,531	79,518	(892,258)	1,869,219	1,463,010
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	1,553	(217,524)	(509,004)	(724,975)	(597,279)	(800,971)	2,742,497	877,841
Wachovia Bank Pension Plan	3,000,000	8,381	(402,162)	(197,316)	(591,097)	(147,294)	(1,383,768)	0	877,841
UNISYS	2,500,000	6,985	(335,135)	(164,429)	(492,579)	(122,747)	(1,153,167)	0	731,507
Venture Investment Associates II	2,000,000	5,587	(268,107)	(131,544)	(394,064)	(98,197)	(992,519)	0	585,220
S.R. One Limited	1,500,000	4,191	(201,081)	(98,658)	(295,548)	(73,648)	(691,897)	0	438,907
Hillside Capital Incorporated	1,000,000	2,793	(134,057)	(65,772)	(197,036)	(49,098)	(461,249)	0	292,617
	\$61,492,127	\$171,792	(\$8,243,285)	(\$4,044,454)	(\$12,115,947)	(\$3,019,163)	(\$28,364,160)	\$0	\$17,992,857
<u>General Partner</u>									
Cardinal Health Partners Mgmt.	621,133	1,734	(1,327,201)	88,775	(1,236,692)	1,083,809	(286,499)	0	181,751
Total Partnership	\$62,113,260	\$173,526	(\$9,570,486)	(\$3,955,679)	(\$13,352,639)	(\$1,935,354)	(\$28,650,659)	\$0	\$18,174,608

Cardinal Health Partners, L.P.
Comprehensive Fund Investment Summary
For the Period from July 25, 1997 to December 31, 2004

Portfolio Company	Investment Cost	Assigned Fair Value	Unrealized Gain (Loss)	Proceeds + Realized Value	Realized Gain (Loss)	Cumulative Investment Return
<u>Private Company Investments</u>						
AccentCare, Inc.	\$4,500,002	\$3,898,100	(\$601,902)	\$0	\$0	(\$601,902)
AthenaHealth, Inc.	3,000,000	10,799,999	7,799,999	0	0	7,799,999
Group Source, Inc. (formerly Esurg)	3,999,999	1,000	(3,998,999)	0	0	(3,998,999)
NexCura, Inc.	4,831,812	1,142,361	(3,689,451)	0	0	(3,689,451)
VISICU, Inc.	4,050,000	2,605,000	(1,445,000)	0	0	(1,445,000)
<u>Fully Disposed Investments</u>						
Cubist Pharmaceuticals	3,999,998	0	0	12,066,659	8,066,661	8,066,661
InLight/ProMedex	3,334,443	0	0	0	(3,334,443)	(3,334,443)
Medcontrax (formerly Syntegra)	3,771,267	0	0	21,804	(3,749,463)	(3,749,463)
Molecular Mining Corporation	1,350,000	0	0	350,000	(1,000,000)	(1,000,000)
ParkStone Medical Information Systems	5,500,000	0	0	0	(5,500,000)	(5,500,000)
PointShare Corporation	3,850,001	0	0	143,012	(3,706,989)	(3,706,989)
Sentinel Health Partners	3,000,000	0	0	0	(3,000,000)	(3,000,000)
Signature Plastic Surgery	4,785,000	0	0	23,455	(4,761,545)	(4,761,545)
TechRx / NDCHealth	4,115,000	0	0	17,949,440	13,834,440	13,834,440
WiseBear, Inc.	1,000,000	0	0	195,660	(804,340)	(804,340)
	\$55,087,522	\$18,448,460	(\$1,935,353)	\$30,750,030	(\$3,955,679)	(\$5,891,032)

TO: The Limited Partners
FROM: John J. Park
DATE: February 16, 2005
SUBJECT: Portfolio Valuations for December 31, 2004

Investment securities held by Cardinal Health Partners, L.P. (the “Partnership”) have been valued in accordance with the Amended Standard Valuation Policy of the Partnership. In accordance with the Policy, restricted securities are valued at cost, until subsequent events of a significant nature indicate the need for a change. Public securities are valued at a discount to market according to the trading restrictions. This memorandum delineates the portfolio valuations as proposed by the General Partner, and approved by the Advisory Committee of the Partnership for those investments not valued at cost as of December 31, 2004.

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. We propose to value the investment 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, 2004. This valuation represents no change from the valuation as of September 30, 2004.

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 April 8, 2004, AthenaHealth completed a \$7.5 million Series E Preferred stock financing priced at \$5.04 per share and valuing the Company at \$142 million pre-money. A new investor, Granite Global Ventures, led this financing. Cardinal Health Partners did not participate in the financing. We propose to value our investment at the Series E price of \$5.04, resulting in an unrealized gain of \$7,799,999 on our cost basis of \$3,000,000 as of December 31, 2004. This valuation represents no change from the valuation as of September 30, 2004.

Value Computation:

Series C Convertible Preferred Stock		
2,142,857 shares x \$5.04	=	<u>\$10,799,999</u>

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of December 31, 2004
Page 2 of 3

GROUP SOURCE SOLUTIONS / ESURG – In early 2001, the company made significant operational cutbacks in order to conserve operating capital. Accordingly, in Q1 2002 we reduced the value of the Esurg investment to a minimal value of \$1,000, until such time as the company attained additional financing or was acquired. In June of 2004, the company merged with ILS, Inc. and all of the Series C preferred was converted into common shares of the newly formed company, Group Source Solutions. Post-merger, we propose to maintain the minimal \$1,000 value for this investment until the investment is sold or the company ceases operations. As of December 31, 2004, 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, 2004.

MEDCONTRAX – At the end of Q1 2002, discussions were terminated with a potential acquirer and the company ceased operations and began an orderly liquidation of the assets. Accordingly, at that time we reduced the value of the MedContrax investment to \$1,000. In June 2002, the assets of the company were sold and it was determined that the equity holders would receive no return from their investment. In June 2004, we wrote-off the \$3.7 million equity portion of the MedContrax investment, leaving only the \$34,904 secured promissory note. At the end of 2004, Cardinal was notified of its final distribution related to the liquidation of the MedContrax assets. A check was subsequently received in the amount of \$21,804.33, resulting in the recording of a realized loss of \$13,100, the reversal of the previously unrealized loss of \$33,904, and the reduction of the value of the investment to \$0. After accounting for the investment write-off this period, this valuation represents a decrease of \$1,000 from the valuation as of September 30, 2004.

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. At that time, we reduced the value of our Series A Preferred investment to a minimal value of \$1,000, until the liquidation was completed. During 2004, the liquidation was substantially completed and it is now apparent that the Series A preferred investors will receive no return from their investment. Consequently, we have written off the remaining investment, recorded a realized loss of \$1 million and reversed the previously unrealized loss of \$999,000. After accounting for the investment write-off this period, this valuation represents a decrease of \$1,000 from the valuation as of September 30, 2004.

CARDINAL HEALTH PARTNERS, L.P.
Portfolio Valuations as of December 31, 2004
Page 3 of 3

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 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. The investor syndicate has begun discussions with investment bankers towards an engagement to sell the company. Based upon the banker's preliminary valuation estimates and the unpredictability of the company's financial performance, we propose to value the NexCura investment at 50% of the price of the Series C round. The resulting value for our NexCura investment is \$1,142,361, with an accumulated unrealized loss of \$3,689,451 on our cost basis of \$4,831,812 as of December 31, 2004. This valuation represents no change from the valuation as of September 30, 2004.

Value Computation:

Series B Convertible Preferred Stock		
10,224,654 shares x \$0.191 x 50%	=	\$976,455
Series C Convertible Preferred Stock		
1,737,238 shares x \$0.191 x 50%	=	<u>165,906</u>
Total Value		<u>\$1,142,361</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. 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 had 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 and to carry the Series C at cost until a new financing event or the company attains sustainable profitability. 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, 2004. This valuation represents no change from our valuation as of September 30, 2004.

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, 2004

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 12/31/04</u>	<u>Fair Value 09/30/04</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	10,799,999	10,799,999	0	
Esurg Corporation	3,999,999	1,000	1,000	0	
MedContrax, Inc. (formerly Syntegra)	0	0	1,000	(1,000)	Receipt of Final Proceeds (note 1)
Molecular Mining	0	0	1,000	(1,000)	Write-off of Remaining Investment (note 2)
NexCura (formerly CancerFacts.com)	4,831,812	1,142,361	1,142,361	0	
VISICU, Inc. (formerly ICUSA)	4,050,000	2,605,000	2,605,000	0	
Total Portfolio	\$20,381,813	\$18,446,460	\$18,448,460	\$0	

- (1) The creditors counsel has released the remaining cash from escrow pertaining to the liquidation of MedContrax. As a result, Cardinal received a check in the amount of \$21,804 as final payment towards its \$34,904 note, and has recognized the difference (\$13,100) as a realized loss during the quarter.
- (2) At yearend 2004, it is now clear that the Series A investors will receive no return on investment. Consequently, we have written off the remaining value for Molecular Mining, recording a realized loss of \$1,000,000 and reversing the previously unrealized loss of \$999,000.

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

Comprehensive Assistance Living Services for the Elderly Living at Home

Period Summary: 4th Quarter, 2004

Financial performance at AccentCare has improved substantially over last year. Revenues have grown 13%, gross margin has improved, overhead has been reduced by almost 10% and EBITDA has improved by \$1.7 million. While the company is not yet achieving its forecast, the management team put in place during 2003 has done a great job improving performance both operationally and financially. The company has a current annual revenue run rate of \$95 million and has been EBITDA positive for five consecutive months.

Financial performance for the third quarter of Fiscal 2005 (FYE 3/31) was good. West Coast operations are performing ahead of plan in every respect except gross margin. East Coast operations were behind plan primarily due to revenue shortfalls on its primary contract. Gross margin was negatively impacted by a number of one-time adjustments including a retroactive employment tax increase and living wage law adjustments. Revenues for the quarter were \$24 million, 2% behind plan. YTD revenues are \$69 million, which is 1.5% behind plan. Revenues per day hit an all-time high in December and the company has achieved positive EBITDA for each month of the quarter. Management continues to do an excellent job of controlling corporate overhead expenses.

Overall liquidity at AccentCare has improved by \$1.5 million over December 2003. Management expects the company to be EBITDA positive for the last three months of Fiscal 2005 with continued growth in EBITDA over the next 12 months. Monthly operational cash burn for the quarter averaged \$200K. Management forecasts the company operating at cash flow positive within the next 6 months. However, in order to meet the reserve requirements on the self insurance program for workers compensation in California, the company will likely require \$2 million in financing in early Fiscal 2006. Management believes that this should be the final year of increases in reserve requirements for the program. At this point, the investor syndicate is inclined to add the additional \$2 million to the current \$10 million in convertible notes. Unless the company completes an acquisition, there should be no further financing necessary during Fiscal 2006.

We are pleased with the abilities of the current management team, and applaud their steady progress toward operational stability and profitability. However, we remain concerned that regulatory (CA) and labor-related (NY) uncertainties will continue to challenge this team's ability to execute. With sufficient capital resources, we are optimistic that the management team will deliver on its goals and provide a positive return to the investors.

ACCENTCARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 3/31)

	<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Actual</i>	<i>FY05 Budget</i>
Revenues	22,502	54,815	82,209	91,761
Cost of Services	15,137	37,349	62,978	67,014
Operating Expenses	14,617	20,508	24,533	25,185
EBIT	-7,252	-3,042	-5,302	-438
Interest and Taxes	102	-558	-1,910	-2,884
Net Income	-7,150	-3,600	-7,212	-3,322
EBITDA	-5,693	-2,295	-4,390	+533

Last Three Months: Quarter Ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	23,859	24,406	-547
Cost of Services	17,597	17,931	+334
Operating Expenses	6,132	6,369	+237
EBIT	130	106	+24
Interest and Taxes	-705	-737	+32
Net Income	-575	-631	+56
EBITDA	+335	+450	-115

Fiscal Year-to-Date: Nine Months Ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	68,897	69,948	-1,051
Cost of Services	51,274	51,660	+386
Operating Expenses	18,230	18,954	+724
EBIT	-607	-666	+59
Interest and Taxes	-1,945	-2,151	+206
Net Income	-2,552	-2,817	+265
EBITDA	+19	+52	-33

ACCENTCARE, INC. (cont.)

Summary Balance Sheet as of December 31, 2004: (\$000)

Cash	\$ 5,562	Accounts Payable	\$ 2,446
Accounts Receivable	18,313	Accrued Expenses	7,847
Other Current Assets	<u>1,609</u>	Other Current Liabilities	<u>10,896</u>
Total Current Assets	25,484	Total Current Liabilities	21,189
Net PP&E	1,025	Long Term Debt	16,265
Intangibles (Net)	10,567	Shareholders Equity	44,785
Other Assets	<u>471</u>	Retained Earnings	<u>-44,692</u>
Total Assets	<u>\$37,547</u>	Total Liabilities & Equity	<u>\$37,547</u>

Comments:

The company is \$2.9 million ahead of its operating cash burn forecast for the year. Monthly operating cash burn has averaged under \$250K for the year. Working capital needs will be supported by the A/R facility that currently has over \$3.5 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)	7.0%
Company Valuation at Cardinal Cost	\$64.3 million
Company Valuation at Assigned Fair Value	\$55.7 million

Outlook:

As the management team implements its plan to improve operational and financial performance, we are 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, 2004

Athena performed well throughout 2004. Revenues for the year grew by 58% and sales grew by 53% over 2003. YTD revenues are within 2.4% of budget, with a very strong sales pipeline entering 2005. Gross margins exceeded plan and the company has been EBITDA positive for the last four quarters. Operating cash flow for the year was -\$878K, mostly driven by higher than forecast interest expense coupled with lower contract-related deposits in Q4.

Athena posted excellent financial results for 2004. The company posted better than forecast results for all metrics except revenues. Athena missed its revenue target for the year due to the combination of implementations lagging expectations, plus lower than forecast sales for Q4. The sales pipeline entering 2005 is strong with a forecast of \$8.4 million for the first quarter. With the completion of the \$6.5 million financing in April, the company has more than adequate capital resources to support its continued growth and infrastructure investment. We believe that Athena will be financially self-sustaining until a liquidity event for the investors.

Revenue was 7% behind of plan for the quarter, due to sales pushing into Q1 2005. Implementations for the quarter were \$3.6 million, well ahead of plan and bringing the YTD budget gap in installed business to 95% of quota. Gross margins were flat for the quarter and slightly behind expectations. Operating expenses were better than plan primarily due to lower sales commissions and marketing expenditures. New contract signings during the period totaled \$2.0 million, 50% lower than quota for the period and driving the YTD sales figures to 95% of plan. This was primarily a result of four large customer opportunities pushing into 2005. The pipeline for the next quarter is expected to deliver results in line with the \$8.5 million quota for the period.

Athena's current annualized revenue run rate is \$45 million, on a contract base of \$60 million. The 2005 budget shows revenues of \$59 million, producing \$1.7 million in EBITDA and operating on a cash flow positive basis. The company has a strong balance sheet coupled with a robust recurring revenue model and strong margins. We view Athena as a very attractive candidate for a liquidity event in the next 12-15 months and remain excited about the prospects for our 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 Prelim*</i>	<i>2005 Budget</i>
Revenues	3,459	11,985	24,666	39,025	58,790
Direct Expenses	6,480	10,137	16,148	21,520	30,833
SG&A	9,278	8,860	10,501	16,497	26,257
EBITDA	-12,299	-7,012	-1,983	1,008	1,700
Depreciation	-1,636	-2,493	-2,894	-3,158	-4,728
Interest and Taxes	855	-55	-475	-1,212	-1,250
Net Income	-13,080	-9,560	-5,352	-3,362	-4,278

Last Three Months: Quarter Ended December 31, 2004

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	10,951	11,805	-854
Direct Expenses	5,980	6,107	+127
SG&A	4,809	5,109	+300
EBITDA	162	589	-427
Depreciation	-690	-942	+252
Interest and Taxes	-271	-240	-31
Net Income	-799	-593	-206

Fiscal Year-to-Date: Twelve Months Ended December 31, 2004

	<i>Actual*</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	39,025	39,995	-970
Direct Expenses	21,520	22,312	+792
SG&A	16,497	17,055	+558
EBITDA	1,008	628	+380
Depreciation	-3,158	-3,435	+277
Interest and Taxes	-1,212	-955	-257
Net Income	-3,362	-3,762	+400

* Subject to Audit

** Budget Revised on April 30, 2004

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of December 31, 2004: (\$000)

Cash	\$ 12,900	A/P and Accrued Expenses	\$ 4,841
Accounts Receivable	5,109	Deferred Revenue	2,045
Other Current Assets	<u>787</u>	Current Portion of Debt	<u>6,308</u>
Total Current Assets	18,796	Total Current Liabilities	13,194
Net PP&E	3,632	Long Term Debt	5,316
Intangibles (Net)	2,644	Shareholders Equity	51,053
Other Assets	<u>176</u>	Retained Earnings	<u>-44,315</u>
Total Assets	<u>\$25,248</u>	Total Liabilities & Equity	<u>\$25,248</u>

Comments:

Athena is well ahead of its cash flow forecast for the year due to lower than anticipated capital investment and better operating performance. Athena has a strong balance sheet to support its building infrastructure investment. Operational cash burn has turned positive and is expected to continue to show improvement throughout 2005.

Cardinal Health Partners Holdings:

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

% Ownership (Full Dilution)	7.2%
-----------------------------	------

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

Outlook:

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

GROUP SOURCE SOLUTIONS, INC.
(Formerly ESURG Corporation)
Seattle, WA
{www.esurg.com}

Online Supplies for Outpatient Surgery Centers

Period Summary: 4th Quarter, 2004

In May 2004, Esurg completed a merger with Integrated Logistics Systems Group (ILS), a Midwest-based medical supply distributor. The combined entity is now called Group Source Solutions, Inc. The merger was done in tandem with a financing of \$2.5 million by some members of the Esurg investor syndicate. While this is the most viable long-term course for the company, it is not without significant risk and we elected not to participate in the financing. Accordingly, the terms of the merger and financing have diluted our equity ownership position to 0.25% on a fully diluted basis and converted our preferred shares into 74,211 shares of common stock of Group Source Solutions.

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

Cardinal Health Partners Holdings:

Common Stock	74,211 shares
Assigned Fair Value	\$1,000
Investment Cost	\$3,999,999
Cost per Share	\$1.54
% Ownership (Full Dilution)	0.25%

Outlook:

As a result of the merger with ILS, the Cardinal holdings have been diluted substantially and expectations are low for any return from the Group Source/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, 2004

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.

At the end of the current quarter, the company's creditor committee released the remaining funds for the secured creditors and Cardinal received \$21,804 in early January. As a result, at year-end we have reduced the carrying value for the 5% convertible promissory note from \$1,000 to \$0, recorded a realized loss of \$13,100 (\$34,904 - \$21,804) and reversed the previously unrealized loss of \$33,904.

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

Software Tools for Genomics Research

Period Summary: 4th Quarter, 2004

In March of 2003, management and the Board of Directors of Molecular Mining agreed to cease operations and sell the assets of the company. The sale of all of the tangible assets was completed in 2003, with all proceeds going to the Series B Preferred shareholders. The only outstanding item regarding the liquidation and dissolution of Molecular Mining 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. 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, with the Series A investors and the common shareholders receiving no return on their investment.

As of December 31, 2004, substantially all of the value from the liquidation of the intangible assets has been realized and it has become evident that the Series A investors will receive no return on their investment. Consequently, as of December 31, 2004, we have written-off the remainder of the Molecular Mining investment, reducing the carrying value from \$1,000 to \$0, recorded a realized loss of \$1,000,000, and reversed the previously unrealized loss totaling \$999,000.

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

eCare Tools for Chronic Disease Management

Period Summary: 4th Quarter, 2004

2004 was a challenging year for NexCura. During the year, multiple pharmaceutical company customers have faced internal program cutbacks, leading to multiple project delays or cancellations. The suspension of one large DTC messaging program in Q1 and contract delays at other messaging customers are the primary drivers for the revenue shortfall in the current quarter as well as for the year. The company's legacy licensing and sponsorship programs continue to perform ahead of plan. Management has reduced expenditures as much as possible without impacting ongoing contracts and some promising sales initiatives.

Financial results for the quarter reflect the impact of the revenue shortfall. Revenues were below plan by 29% primarily due to contract delays and program cancellations at a few large messaging customers earlier in the year. Operating expenses were under budget as management has reduced overhead significantly over the last quarter. The company burned \$200K for the quarter and management has effectively used its receivables credit facility to help them meet their cash requirements. Cash will remain very tight for the coming months.

The impact of the revenue shortfall for the year has appreciably effected the company's capital position. During 2004, the company raised \$683K in the form of promissory notes from management, current investors and Silicon Valley Bank. The investors are working closely with CEO Peter Hoover to ensure that the company remains operating in the most efficient manner in terms of cash flow. The 2005 forecast shows the company requiring \$200-\$400K additional capital for the year. Management has proposed a rights offering to the current investors and company management in the form of promissory notes with 100% warrant coverage. The company expects to complete the offering in Q1 2005 and we believe this will be sufficient capital to fund operations until the company is sold.

In September, the investor syndicate engaged Freidman Billings Ramsey, a boutique healthcare investment bank, to sell the company. While preliminary interest has been good, no transaction is expected to be completed until the spring of 2005 at the earliest. We remain optimistic of completing a transaction that would net the preferred investors \$8-\$10 million.

NEXCURA, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Actual*</i>	<i>2004 Actual*</i>	<i>2005 Budget</i>
Revenues	1,521	3,018	2,680	3,073	5,371
Cost of Sales	0	287	264	349	1,445
SG&A Expenses	3,861	4,324	4,361	3,341	2,947
EBIT	-2,340	-1,593	-1,945	-617	979
Interest and Taxes	-1,355	-83	2	-102	-177
Net Income	-3,695	-1,676	-1,943	-719	802

* Subject to Audit

Last Three Months: Quarter Ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	789	1,113	-324
Cost of Sales	106	76	-30
Operating Expenses	688	1,036	+348
EBIT	-5	1	-6
Interest and Taxes	-162	+104	-266
Net Income	-167	105	-272

Fiscal Year-to-Date: Twelve Months ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	3,073	4,402	-1,329
Cost of Sales	349	304	-45
Operating Expenses	3,341	3,726	+385
EBIT	-617	372	-989
Interest and Taxes	-102	-59	-43
Net Income	-719	313	-1,032

NEXCURA, INC. (cont.)**Summary Balance Sheet as of December 31, 2004: (\$000)**

Cash	\$ 48	Accounts Payable	\$ 330
Accounts Receivable	477	Accrued Expenses	290
Other Current Assets	<u>224</u>	Deferred Revenue	<u>1,312</u>
Total Current Assets	749	Total Current Liabilities	1,932
Net PP&E	41	LOC and Other Liabilities	981
Intangibles (Net)	0	Shareholders Equity	19,801
Other Assets	<u>247</u>	Retained Earnings	<u>-21,677</u>
Total Assets	<u>\$ 1,037</u>	Total Liabilities & Equity	<u>\$ 1,037</u>

Comments:

Management is \$450K behind on its cash flow forecast for the year. The company has utilized most of its credit facility and will likely require \$200-\$400K in additional financing by mid- 2005. Cash will remain tight for the next few quarters.

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 x 50%)	\$976,455
Investment Cost	\$4,500,000
Cost per Share	\$0.868
Series C Convertible Preferred Stock	1,737,238 shares
Assigned Fair Value (Investment Cost x 50%)	\$165,906
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)	15.2%
Company Valuation at Cardinal Cost	\$31.8 million
Company Valuation at Assigned Fair Value	\$7.5 million

Outlook:

The initial response from the potential acquirer market has been positive, but with limited capital resources, we remain guarded about the prospects for our investment in NexCura.

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

Remote Monitoring Services for Intensive Care Hospital Units

Period Summary: 4th Quarter, 2004

2004 was a good year for VISICU with the addition of 11 new hospital systems as clients, adding over 1,000 ICU beds. The company ended 2004 with a contract backlog exceeding \$44 million, representing over 1,700 beds, a more than doubling of beds under management during the year. The company is entering 2005 with 23 customers, 17 of which are activated, monitoring 1,093 beds. Management expects to add 16 new customers during 2005, with the company ending the year with a contracted backlog over \$60 million. The plan for 2005 shows revenue growth of 250%, much of which is already under contract, the activation of 13 new sites, positive cash flow for each month of the year and the attainment of sustainable profitability in the second half of 2005.

Financial results for the year were behind plan due to lower revenues resulting from fewer than forecast new contract signings in Q4 coupled with budgeted go-live dates on new customers being pushed into 2005. The company missed its new contract forecast for 2004 due to three customers delayed signing into early 2005. Expenses for the year were favorable to budget due to lower than forecast headcount and sales related bonuses. Overall, the company ends 2004 on sound financial footing, with more than adequate capital resources to support operations.

Revenues for the quarter were below expectation, but exhibited sequential growth of 38% over last quarter. Revenues were primarily impacted by go-live delays and new customer signings being pushed into 2005. Gross margin also came in under plan due to the activation delays. Operating expenses were favorable to plan due to lower than forecast headcount, lower sales bonus and lower R&D consulting expenses. The cash balance at the end of September was \$8.6 million, \$2.5 higher than last quarter, but \$2.5 below plan due to the activation delays and push out of late new contracts signings into Q1 2005. Management forecasts the company to operate at cash flow positive for all of 2005, without utilization of its \$2 million credit facility.

We remain very excited about the prospects for VISICU as the company continues through this high growth phase. CEO Frank Sample has moved the company full speed ahead on the sales and marketing front, while exercising sound cash management. The primary area of concern surrounds staffing issues that result in implementations delays. Management is addressing this issue proactively and we are confident the company will meet its goals. We are very optimistic about the company's prospects for building itself into a significant next generation health care company.

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

Overview: (FYE 12/31)

	<i>2002 Actual</i>	<i>2003 Actual</i>	<i>2004 Actual*</i>	<i>2005 Budget</i>
Revenues	2,380	2,218	5,513	19,228
Cost of Sales	1,638	769	1,423	3,634
Operating Expenses	7,718	9,862	11,817	14,399
EBIT	-6,976	-8,413	-7,727	1,195
Interest and Taxes	36	6	+19	-131
Net Income	-6,940	-8,407	-7,708	1,064

* - Subject to Audit

Last Three Months: Quarter Ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	2,057	3,453	-1,396
Cost of Sales	456	806	+350
Operating Expenses	3,304	2,889	+415
EBIT	-1,703	-242	-1,461
Interest and Taxes	+9	0	+9
Net Income	-1,694	-242	-1,452

Fiscal Year-to-Date: Twelve Months Ended December 31, 2004

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	5,513	7,322	-1,809
Cost of Sales	1,423	1,748	+325
Operating Expenses	11,817	12,019	+202
EBIT	-7,727	-6,445	-1,282
Interest and Taxes	+19	0	+19
Net Income	-7,708	-6,445	-1,263

VISICU, INC. (cont.)**Summary Balance Sheet as of December 31, 2004: (\$000)**

Cash	\$ 8,639	Accounts Payable	\$ 349
Accounts Receivable	6,456	Accrued Expenses	1,646
Prepaid Expenses	<u>516</u>	Other Current Liabilities	<u>5</u>
Total Current Assets	15,611	Total Current Liabilities	2,000
Net PP&E	1,180	Unearned Revenue	33,330
Deferred Costs	3,835	Shareholders Equity	33,854
Other Assets	<u>302</u>	Retained Earnings	<u>-48,256</u>
Total Assets	<u>\$20,928</u>	Total Liabilities & Equity	<u>\$20,928</u>

Comments:

The cash balance at the end of the quarter was \$2.5 million lower than projected due to contract signing delays and budgeted go-live dates pushed into 2005. The company expects to be cash flow positive for each month of 2005, ending the year with over \$30 million in cash. The company has an untapped \$2 million credit facility.

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.