

CHP II, L.P.
QUARTERLY REPORT
2nd QUARTER, 2003

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CHP II, L.P.
QUARTERLY REPORT
2nd QUARTER, 2003
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TO: The Limited Partners
FROM: John K. Clarke
DATE: August 15, 2003
SUBJECT: Activity for the Quarter Ended June 30, 2003

During the quarter, two CHP II portfolio companies completed significant follow-on financings and a third agreed to terms for a major financing coupled with an acquisition. Operations at the portfolio company level continued to show solid advancement, tempered by the disappointing events at iPhysicianNet. The following are short summaries of activity for the quarter in each of our portfolio companies.

Alnylam Pharmaceuticals – Alnylam has agreed to acquire a European rival that would clearly place the company at the leading position for the fundamental patents and technology that underlie the discovery, development and commercialization of RNA interference (RNAi) based therapeutics. Concurrent with the closing of the transaction, the combined entity will close a new financing totaling \$24.6 million from the current Alnylam investors and one new investor.

AthenaHealth – Athena continued its solid performance meeting or exceeding budget in most categories. The company remains on target to attaining cash flow breakeven in Q4 2003. Revenues for the quarter and YTD were on plan. Gross margin continues to exceed expectations driving the better than expected bottom line and cash burn for the year.

CardioOptics – The technology-focused program initiated in early May has produced encouraging results. The company has now successfully reproduced the high quality results obtained in late 2002. Management continues to focus on improvements to the stability and quality of the images, but they are confident that the technology issues will be resolved by the end of this year. In the meantime, cash burn has been substantially reduced.

IntelliCare America – Financial performance at Intellicare was solid, with revenue, EBITDA and net income all ahead of plan and the company remains on a clear path to cash flow breakeven by year-end. The company has recently been approached by one of its service partners proposing discussions on a potential merger. We believe that it is likely that the company will receive an offer to merge during Q3.

iPhysicianNet (IPNI) – While the company continued to perform ahead of plan, IPNI ended the period without sufficient capital resources to continue operations through next quarter. The current quarter contained a flurry of activity that could have provided the company with much needed financial support. However, by quarters end, with the loss of another major client in June, all of the potential deals had been either withdrawn or progress was not very encouraging. Accordingly, we reduced the carrying value for our investment to a minimal value.

Mobile Medical – The quarter was highlighted by the hiring of Greg Bellomy as CEO triggering the \$9.75 million final closing of the Series B financing. Financial performance for the period lagged plan primarily due to delays in closing anticipated acquisitions and new business opportunities. Financial results for the year are largely ahead of plan.

Molecular Mining – Significant progress was made in the liquidation of the company’s assets. We expect the process to be completed this year with CHP II receiving approximately \$130K.

Momenta – The company completed a \$19.5 million second round financing in May, co-led by Atlas Ventures and MVM Limited. The financing was valued slightly above the previous financing round. During the quarter, the company had a positive pre-ANDA meeting with the FDA. Corporate partnering discussions are at the negotiation stage, with a significant deal completed in the coming quarter. Overall progress and prospects at Momenta remain excellent.

Replication Medical – The primary objectives for Replication in 2003 include: the initiation of a European human clinical trial in the fall; manufacturing and maintaining an adequate supply of implants for clinical trials; conforming with the European Union (EU) CE Mark regulations for in vitro medical devices; and the submission with the FDA of an Investigational Device Exemption (IDE) application. During the quarter, the company has engaged its lead clinical investigator in Europe and designed the pilot clinical trial.

Rib-X Pharmaceuticals – During the quarter, the company completed a \$63.5 million financing led by Warburg Pincus. The financing was valued at the same level as our current carrying value for the Rib-X investment, valuing the company at \$80 million post-money. Scientific programs continued to make positive progress and are on track with regards to the company’s clinical development plan.

Included in this report are financial statements for the period, a portfolio valuation memo, an update on each of our portfolio companies and a deal activity report for the quarter.

Deal Flow:

During the quarter, we have reviewed 100 business proposals. Current “A” deals include: Caregain, Cassiopeia, Eyetel Imaging, Flowcardia, MDVIP, Medsphere Systems and SkinMedica. An alphabetical list of all deals received with a brief business description, deal source and current status is included in the Appendix to this report.

Financial Results:

During the quarter, CHP II completed three capital calls totaling \$8.85 million. Utilization of these funds includes: the \$1.5 million investment in Mobile Medical; a \$2.875 million follow-on investment in Momenta; a \$1 million follow-on investment in Rib-X; a \$2.85 million follow-on investment in Alnylam that will close in July, and to pay fund fees and expenses. Cumulative capital contributions stand at \$56.9 million or 48% of total commitments. Cash on hand at the end of the period was \$2.95 million. Net loss for the quarter was \$3.6 million, consisting of \$734K in net operating expenses and \$2.85 million in net unrealized loss primarily related to the markdown on iPhysicianNet.

Looking forward:

We have scheduled the Limited Partner Annual Meeting for Wednesday, November 19th in New York City. Brandon, Lisa, John, Geoff and I hope to see many of you there. Meanwhile, we continue to work diligently to build value in the portfolio and appreciate your input and support.

CHP II, L.P.
Income Statement
For the Period Ended June 30, 2003

	Three Months Ended 06/30/03	Six Months Ended 06/30/03
Revenue:		
Non Portfolio Income	\$3,238	\$4,515
Interest-Equivalent Amounts	0	0
Expenses:		
Management Fee	734,217	1,468,434
Professional Fees	7,103	12,647
NVCA Dues & Expenses	0	0
Amortization of Organization Costs	0	0
Annual Meeting & Miscellaneous	100	100
Total Expenses	741,420	1,481,181
Net Operating Expense	(738,182)	(1,476,666)
Investment Income	4,511	8,336
Net Income Before Gains (Losses)	(733,671)	(1,468,330)
Realized Gains (Losses)	0	0
Unrealized Gains (Losses)	(2,850,073)	(3,504,603)
Net Income (Loss)	(\$3,583,744)	(\$4,972,933)

CHP II, L.P.
Balance Sheet
As of June 30, 2003

ASSETS:	Period Ended 06/30/03	Period Ended 03/31/03
Cash and Short-Term Investments	\$2,953,459	\$269,978
Accrued Interest	30,953	26,443
Venture Capital Investments (cost basis \$36,891,960)	29,718,463	27,193,534
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	<u>270,289</u>	<u>228,251</u>
	<u><u>\$32,973,164</u></u>	<u><u>\$27,718,206</u></u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$12,247	\$23,544
Partners' Accounts	<u>32,960,917</u>	<u>27,694,662</u>
Total Liabilities and Capital	<u><u>\$32,973,164</u></u>	<u><u>\$27,718,206</u></u>

CHP II, L.P.
Footnotes
As of June 30, 2003

Note 1 – CHP II, L.P. is a Limited Partnership and as such is not subject to income taxes at the partnership level.

Note 2 – Net Organization Costs	06/30/03	03/31/03
	<u> </u>	<u> </u>
Organization Costs	\$183,232	\$183,232
Accumulated Amortization	<u>(183,232)</u>	<u>(183,232)</u>
Total	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Note 3 – General Partner Promissory Notes	06/30/03	03/31/03
	<u> </u>	<u> </u>
GP Promissory Note Principal	\$270,289	\$228,251
Offset against Partners' Capital	<u>0</u>	<u>0</u>
Total	<u><u>\$270,289</u></u>	<u><u>\$228,251</u></u>

Note 4 – Accrued Expenses	06/30/03	03/31/03
	<u> </u>	<u> </u>
Professional Fees	\$12,247	\$23,544
NVCA Dues & Annual Meeting	0	0
Accrued Management Fees	<u>0</u>	<u>0</u>
Total	<u><u>\$12,247</u></u>	<u><u>\$23,544</u></u>

CHP II, L.P.
Statement of Cash Flows
For the Period Ended June 30, 2003

	Three Months Ended 06/30/03	Six Months Ended 06/30/03
Cash flows from operating activities		
Net Income Before Gains (Losses)	(\$733,671)	(\$1,468,330)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:		
Accrued Interest Receivable	(4,511)	(8,336)
Accrued Organization Costs	-	-
Other Assets	-	-
Accrued Expenses & Payables	(11,297)	(5,753)
Net Cash used in Operating Activities	(749,479)	(1,482,419)
Cash flows from investing activities		
Purchases of venture capital investments	(5,375,002)	(7,875,002)
Sales of venture capital investments	-	-
Net cash used in investing activities	(5,375,002)	(7,875,002)
Cash flows from financing activities		
Cash contributions by partners	8,807,962	11,296,086
Cash distribution to partners	0	0
Net cash provided by financing activities	8,807,962	11,296,086
 Net Change in Cash and Short Term Investments	 2,683,481	 1,938,665
Cash and Short Term Investments, beginning	269,978	1,014,794
Cash and Short Term Investments, ending	\$2,953,459	\$2,953,459

CHP II, L.P.
Schedule of Venture Capital Investments
As of June 30, 2003

Company	Debt	Equity	Total Cost	Fair Value	Unrealized Gain (Loss)
Alnylam Pharmaceuticals	\$0	\$4,250,000	\$4,250,000	\$5,750,000	\$1,500,000
AthenaHealth, Inc.	0	5,000,001	5,000,001	5,000,001	0
Cardio-Optics, Inc.	0	2,000,000	2,000,000	2,000,000	0
IntelliCare America, Inc.	0	4,000,000	4,000,000	2,464,585	(1,535,415)
iPhysician Net, Inc.	0	5,757,897	5,757,897	1,000	(5,756,897)
Mobile Medical Industries	0	4,000,000	4,000,000	4,000,000	0
Molecular Mining Corp.	0	1,509,060	1,509,060	100,000	(1,409,060)
Momenta Pharmaceuticals, Inc.	0	3,875,002	3,875,002	3,902,877	27,875
Replication Medical	0	2,500,000	2,500,000	2,500,000	0
Rib-X Pharmaceuticals	0	4,000,000	4,000,000	4,000,000	0
Totals	\$0	\$36,891,960	\$36,891,960	\$29,718,463	(\$7,173,497)

CHP II, L.P.
Statement of Partners' Contributions Accounts
As of June 30, 2003

	Partners' Total Subscription	Contributions Account 03/31/03	Period Contribution in Cash	Period Contribution by Note	Contributions Account 06/30/03	Partners' Outstanding Subscription
<u>Limited Partners</u>						
State Teachers Ret. System of Ohio	\$30,000,000	\$12,271,553	\$2,260,060	\$0	\$14,531,613	\$15,468,387
Nassau Capital Funds	10,000,000	4,090,518	753,353	0	4,843,871	5,156,129
Robert Wood Johnson Foundation	10,000,000	4,090,518	753,353	0	4,843,871	5,156,129
Northwestern University	10,000,000	4,090,518	753,353	0	4,843,871	5,156,129
LACERA	10,000,000	4,090,518	753,353	0	4,843,871	5,156,129
Textron Master Trust	10,000,000	4,090,518	753,353	0	4,843,871	5,156,129
Wachovia Investors, Inc. (First Union)	7,500,000	3,067,889	565,015	0	3,632,904	3,867,096
Pension Commissioners of City of LA	5,000,000	2,045,260	376,677	0	2,421,937	2,578,063
Princess Private Equity	5,000,000	2,045,260	376,677	0	2,421,937	2,578,063
Hillside Capital Incorporated	3,500,000	1,431,679	263,673	0	1,695,352	1,804,648
Hamilton Lane-Carpenters Fund	3,000,000	1,227,155	226,006	0	1,453,161	1,546,839
UNISYS Master Trust	3,000,000	1,227,155	226,006	0	1,453,161	1,546,839
Venture Investment Associates III, L.P.	2,300,000	940,818	173,273	0	1,114,091	1,185,909
Fleet Growth Resources (Summit)	2,000,000	818,104	150,671	0	968,775	1,031,225
S.R. One Limited	2,000,000	818,104	150,671	0	968,775	1,031,225
Pharma BioDevelopment, Inc.	2,000,000	818,104	150,671	0	968,775	1,031,225
Private Equity Holdings II, Ltd.	1,000,000	409,051	75,335	0	484,386	515,614
	\$116,300,000	\$47,572,722	\$8,761,500	\$0	\$56,334,222	\$59,965,778
<u>General Partner</u>						
CHP II Management, LLC.	1,174,747	480,533	46,462	42,038	569,033	605,714
Total Partnership	\$117,474,747	\$48,053,255	\$8,807,962	\$42,038	\$56,903,255	\$60,571,492

CHP II, L.P.
Statement of Partners' Distributive Share of Net Assets
For the Period Ended June 30, 2003

	Private Securities	Public Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 06/30/03
<u>Limited Partners</u>							
State Teachers Ret. System of Ohio	\$7,589,323	\$0	\$754,238	\$76,929	\$8,420,490	(\$3,129)	\$8,417,361
Nassau Capital Funds	2,529,776	0	251,412	25,643	2,806,831	(1,042)	2,805,789
Robert Wood Johnson Foundation	2,529,776	0	251,412	25,643	2,806,831	(1,042)	2,805,789
Northwestern University	2,529,776	0	251,412	25,643	2,806,831	(1,042)	2,805,789
LACERA	2,529,776	0	251,412	25,643	2,806,831	(1,042)	2,805,789
Textron Master Trust	2,529,776	0	251,412	25,643	2,806,831	(1,042)	2,805,789
Wachovia Investors, Inc. (First Union)	1,897,331	0	188,559	19,232	2,105,122	(782)	2,104,340
Pension Commissioners of City of LA	1,264,885	0	125,706	12,822	1,403,413	(521)	1,402,892
Princess Private Equity	1,264,885	0	125,706	12,822	1,403,413	(521)	1,402,892
Hillside Capital Incorporated	885,419	0	87,994	8,975	982,388	(365)	982,023
Hamilton Lane-Carpenters Fund	758,931	0	75,423	7,693	842,047	(313)	841,734
UNISYS Master Trust	758,931	0	75,423	7,693	842,047	(313)	841,734
Venture Investment Associates III, L.P.	581,849	0	57,825	5,898	645,572	(240)	645,332
Fleet Growth Resources (Summit)	505,956	0	50,283	5,129	561,368	(209)	561,159
S.R. One Limited	505,956	0	50,283	5,129	561,368	(209)	561,159
Pharma BioDevelopment, Inc.	505,956	0	50,283	5,129	561,368	(209)	561,159
Private Equity Holdings II, Ltd.	252,975	0	25,141	2,564	280,680	(104)	280,576
	\$29,421,277	\$0	\$2,923,924	\$298,230	\$32,643,431	(\$12,125)	\$32,631,306
<u>General Partner</u>							
CHP II Management, LLC.	297,186	0	29,535	3,012	329,733	(122)	329,611
Total Partnership	\$29,718,463	\$0	\$2,953,459	\$301,242	\$32,973,164	(\$12,247)	\$32,960,917

CHP II, L.P.
Statement of Partners' Capital Accounts *
For the Six Months Ended June 30, 2003

<u>Limited Partner</u>	Partners' Capital 01/01/03	Net Capital Contribution	Non-Portfolio Income	Net Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Capital 06/30/03
State Teachers Ret. System of Ohio	\$6,788,824	\$2,898,496	\$1,153	(\$376,126)	\$0	(\$374,973)	(\$894,986)	\$0	\$8,417,361
Nassau Capital Funds	2,262,943	966,165	384	(125,375)	0	(124,991)	(298,328)	0	2,805,789
Robert Wood Johnson Foundation	2,262,943	966,165	384	(125,375)	0	(124,991)	(298,328)	0	2,805,789
Northwestern University	2,262,943	966,165	384	(125,375)	0	(124,991)	(298,328)	0	2,805,789
Textron Master Trust	2,262,943	966,165	384	(125,375)	0	(124,991)	(298,328)	0	2,805,789
LACERA	2,262,943	966,165	384	(125,375)	0	(124,991)	(298,328)	0	2,805,789
Wachovia Investors (First Union)	1,697,206	724,624	288	(94,032)	0	(93,744)	(223,746)	0	2,104,340
Pension Commissioners-City of LA	1,131,470	483,083	192	(62,689)	0	(62,497)	(149,164)	0	1,402,892
Princess Private Equity	1,131,470	483,083	192	(62,689)	0	(62,497)	(149,164)	0	1,402,892
Hillside Capital Incorporated	792,027	338,157	135	(43,881)	0	(43,746)	(104,415)	0	982,023
Hamilton Lane-Carpenters Fund	678,880	289,850	115	(37,613)	0	(37,498)	(89,498)	0	841,734
UNISYS Master Trust	678,880	289,850	115	(37,613)	0	(37,498)	(89,498)	0	841,734
Venture Investment Associates III	520,475	222,220	88	(28,836)	0	(28,748)	(68,615)	0	645,332
Fleet Growth Resources	452,590	193,232	78	(25,075)	0	(24,997)	(59,666)	0	561,159
S. R. One Limited	452,590	193,232	78	(25,075)	0	(24,997)	(59,666)	0	561,159
Pharma BioDevelopment, Inc.	452,590	193,232	78	(25,075)	0	(24,997)	(59,666)	0	561,159
Private Equity Holdings II, Ltd.	226,293	96,616	38	(12,538)	0	(12,500)	(29,833)	0	280,576
	\$26,318,010	\$11,236,500	\$4,470	(\$1,458,117)	\$0	(\$1,453,647)	(\$3,469,557)	\$0	\$32,631,306
<u>General Partner</u>									
CHP II Management, LLC.	49,465	59,586	45	(14,728)		(14,683)	(35,046)	0	59,322
Total Partnership	\$26,367,475	\$11,296,086	\$4,515	(\$1,472,845)	\$0	(\$1,468,330)	(\$3,504,603)	\$0	\$32,690,628

* - Partners' Capital, by definition, does not include contributions made by the General Partner in the form of Promissory Notes.

CHP II, L.P.
Statement of Partners' Accounts
For the Period from April 25, 2000 to June 30, 2003

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Account
<u>Limited Partners</u>								
State Teachers Ret. System of Ohio	\$14,531,613	\$15,990	(\$2,448,698)	(\$1,849,618)	(\$4,282,326)	(\$1,831,926)	\$0	\$8,417,361
Nassau Capital Funds	4,843,871	5,331	(816,232)	(616,540)	(1,427,441)	(610,641)	0	2,805,789
Robert Wood Johnson Foundation	4,843,871	5,331	(816,232)	(616,540)	(1,427,441)	(610,641)	0	2,805,789
Northwestern University	4,843,871	5,331	(816,232)	(616,540)	(1,427,441)	(610,641)	0	2,805,789
LACERA	4,843,871	5,331	(816,232)	(616,540)	(1,427,441)	(610,641)	0	2,805,789
Textron Master Trust	4,843,871	5,331	(816,232)	(616,540)	(1,427,441)	(610,641)	0	2,805,789
Wachovia Investors, Inc. (First Union)	3,632,904	3,998	(612,175)	(462,405)	(1,070,582)	(457,982)	0	2,104,340
Pension Commissioners of City of LA	2,421,937	2,664	(408,118)	(308,271)	(713,725)	(305,320)	0	1,402,892
Princess Private Equity	2,421,937	2,664	(408,118)	(308,271)	(713,725)	(305,320)	0	1,402,892
Hillside Capital Incorporated	1,695,352	1,865	(285,681)	(215,789)	(499,605)	(213,724)	0	982,023
Hamilton Lane-Carpenters Fund	1,453,161	1,599	(244,871)	(184,962)	(428,234)	(183,193)	0	841,734
UNISYS Master Trust	1,453,161	1,599	(244,871)	(184,962)	(428,234)	(183,193)	0	841,734
Venture Investment Associates III	1,114,091	1,226	(187,734)	(141,804)	(328,312)	(140,447)	0	645,332
Fleet Growth Resources (Summit)	968,775	1,067	(163,246)	(123,308)	(285,487)	(122,129)	0	561,159
S.R. One Limited	968,775	1,067	(163,246)	(123,308)	(285,487)	(122,129)	0	561,159
Pharma BioDevelopment, Inc.	968,775	1,067	(163,246)	(123,308)	(285,487)	(122,129)	0	561,159
Private Equity Holdings II, Ltd.	484,386	533	(81,624)	(61,654)	(142,745)	(61,065)	0	280,576
<u>General Partner</u>								
CHP II Management, LLC.	\$56,334,222	\$61,994	(\$9,492,788)	(\$7,170,360)	(\$16,601,154)	(\$7,101,762)	\$0	\$32,631,306
Total Partnership	569,033	627	(95,887)	(72,427)	(167,687)	(71,735)	0	329,611
	\$56,903,255	\$62,621	(\$9,588,675)	(\$7,242,787)	(\$16,768,841)	(\$7,173,497)	\$0	\$32,960,917

TO: The Limited Partners

FROM: John J. Park

DATE: July 15, 2003

SUBJECT: Portfolio Valuations for June 30, 2003

Investment securities held by CHP II, L.P. (the “Partnership”) have been valued in accordance with the Standard Valuation Policy of the Partnership. In accordance with the Policy, we propose to value restricted securities at cost, until subsequent events of a significant nature indicate the need for a change. This memorandum delineates the portfolio valuation calculations proposed by the General Partner for those investments not valued at cost, as of June 30, 2003.

ALNYLAM PHARMACEUTICALS – In July 2002, Alnylam completed a \$15.4 million first round financing at \$2.50 per share, valuing the company at \$20.15 post-money. New investor Atlas Ventures led the financing, with CHP II contributing \$3.25 million. We propose to value our investment on the basis of this financing, resulting in an unrealized gain of \$1,500,000 on our cost basis of \$4,250,000 as of June 30, 2003. This valuation represents no change from the valuation as of March 31, 2003.

Value Computation:

Series A Convertible Preferred Stock		
1,000,000 shares x \$2.50		\$2,500,000
Series B Convertible Preferred Stock		
1,300,000 shares x \$2.50	=	<u>3,250,000</u>
		<u>\$5,750,000</u>

CHP II, L.P.
Portfolio Valuations as of June 30, 2003
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INTELLICARE – In May 2002, IntelliCare completed a \$10.15 million second round financing at \$0.1923 per share, valuing the company at \$20.15 post-money. New investor Canaan Partners led the financing, with CHP II contributing \$1 million. We propose to value our investment on the basis of this financing, resulting in an unrealized loss of \$1,535,415 on our cost basis of \$4,000,000 as of June 30, 2003. This valuation represents no change from the valuation as of March 31, 2003.

Value Computation:

Series B Convertible Preferred Stock		
7,616,146 CSE's x \$0.1923		\$1,464,585
Series C Convertible Preferred Stock		
5,200,208 shares x \$0.1923	=	<u>1,000,000</u>
		<u>\$2,464,585</u>

IPHYSICIANNET - In September 2000, iPhysicianNet completed a \$36 million financing led by KBL Healthcare Ventures and Patricof Ventures, with CHP II contributing \$5 million. Per the terms of the financing, on December 31, 2001 the conversion price for the shares was adjusted from \$4.00 to \$1.00, effectively reducing our cost per share to \$1.00. In February 2002, the company completed an \$11 million insider led financing that valued the company at \$94 million post-money. CHP II invested \$757,897, representing our pro-rata share of the financing. In the current quarter, after analyzing the financial requirements based on the revised operational forecast from company management, we propose that the investment value should be reduced to a minimal value of \$1,000 until such time as the company completes an additional financing round or is sold. At this valuation, the IPNI investment carries an unrealized loss of \$5,756,897 on our investment cost basis of \$5,757,897 as of June 30, 2003. This valuation represents a decrease of \$2,877,948 from the valuation as of March 31, 2003.

Value Computation:

Series E Convertible Preferred Stock		
5,000,000 shares	=	\$0
Series G Convertible Preferred Stock		
378,948 shares		<u>1,000</u>
		<u>\$1,000</u>

CHP II, L.P.

Portfolio Valuations as of June 30, 2003

Page 3 of 3

MOLECULAR MINING - On May 10, 2001, Molecular Mining completed an \$8.3 million financing at \$2.0464 per share, valuing the company at \$18.3 million post-money. A new investor, Sofinov, led this financing, with CHP II investing \$1.5 million. 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 B Preferred investment to \$100,000, reflecting a conservative estimate of current value. At this valuation, our investment shows an unrealized loss of \$1,409,060 on a cost basis of \$1,509,060 as of June 30, 2003. This valuation represents no change from our carrying value as of March 31, 2003.

Value Computation:

$$\begin{array}{rcl} \text{Series B Convertible Preferred Stock} & & \\ 737,422 \text{ shares} & = & \underline{\$100,000} \end{array}$$

MOMENTA PHARMACEUTICALS – In May 2003, Momenta completed a \$19 million second round financing at \$2.95 per share, valuing the company at \$39.5 million post-money. New investors Atlas Ventures and MVM Limited led the financing, with CHP II contributing \$2.875 million. We propose to value our investment on the basis of this financing, resulting in an unrealized gain of \$27,875 on our cost basis of \$3,875,002 as of June 30, 2003. Including the new investment of \$2.875 million, this valuation represents an increase of \$2,902,877 from the valuation for Momenta as of March 31, 2003.

Value Computation:

$$\begin{array}{rcl} \text{Series A Convertible Preferred Stock} & & \\ 348,432 \text{ shares} \times \$2.95 & & \$1,027,875 \\ \text{Series B Convertible Preferred Stock} & & \\ 974,577 \text{ shares} \times \$2.95 & = & \underline{\underline{2,875,002}} \\ & & \underline{\underline{\$3,902,877}} \end{array}$$

CHP II, L.P.
Portfolio Investment Valuation Summary
For the Quarter ended June 30, 2003

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value</u> <u>06/30/03</u>	<u>Fair Value</u> <u>03/31/03</u>	<u>Change from</u> <u>Prior Quarter</u>	<u>Reason for Change</u>
Alnylam Pharmaceuticals, Inc.	\$4,250,000	\$5,570,000	\$5,570,000	\$0	
AthenaHealth, Inc.	\$5,000,001	\$5,000,001	\$5,000,001	\$0	
CardioOptics, Inc.	\$2,000,000	\$2,000,000	\$2,000,000	\$0	
Intellicare America, Inc.	\$4,000,000	\$2,464,585	\$2,464,585	\$0	
iPhysicianNet, Inc..	\$5,757,897	\$1,000	\$2,878,948	(\$2,877,948)	Investment Mark Down (note 1)
Mobile Medical Industries	\$4,000,000	\$4,000,000	\$2,500,000	\$1,500,000	Follow-on Investment (note 2)
Molecular Mining Corporation	\$1,509,060	\$100,000	\$100,000	\$0	
Momenta Pharmaceuticals	\$3,875,002	\$3,902,877	\$1,000,000	\$2,902,877	Follow-on Investment (note 3)
Replication Medical	\$2,500,000	\$2,500,000	\$2,500,000	\$0	
Rib-X Pharmaceuticals	\$4,000,000	\$400,000	\$3,000,000	\$1,000,000	Follow-on Investment (note 4)
Total Portfolio	\$36,891,960	\$29,718,463	\$27,193,534	\$2,524,929	

- 1) After further review of the financial requirements and operational forecasts for iPhysicianNet, we believe it to be prudent to reduce the carrying value for our investment to a minimal amount until the company closes a subsequent financing round or is sold.
- 2) On May 1, 2003, CHP II contributed \$1.5 million to the \$10 million second and final close of the August 2002, \$29 million second round financing for Mobile Medical Industries. The financing was led by Three Arch Partners and carried a pre-money value of \$20 million.
- 3) On May 9, 2003, CHP II contributed \$2.875 million to the \$19 million second round financing for Momenta Pharmaceuticals. The financing was co-led by new investors Atlas Ventures and MVM Limited and was priced slightly higher than the July 2002 first round financing.
- 4) On April 28, 2003, CHP II contributed \$1 million to the \$51 million second and final close of the \$63.5 million second round financing for Rib-X Pharmaceuticals. The financing was led by Warburg Pincus and was priced at the same level as the December 2001 first round financing. In December 2002, CHP II contributed \$1.875 million to the \$12.5 million initial closing of this second round financing.

ALNYLAM PHARMACEUTICALS, INC.
Cambridge, MA
{www.alnylam.com}

Therapeutics Based on the Novel Biological Mechanism of RNA Interference

Period Summary: 2nd Quarter 2003

As the quarter came to a close, Alnylam reached agreement to merge with European rival Ribopharma AG. This strategic transaction creates an international company, with the leading position in the fundamental patents and technology that underlie the discovery, development, and commercialization of RNA interference (RNAi) based therapeutics. Concurrent with the closing of the merger, the combined entity will receive additional financing totaling \$24.6 million. The new company will be headquartered in Cambridge, MA and maintain operating units in Cambridge and Kulmbach, Germany. Dr. John Maraganore, currently president and CEO of Alnylam, will be president and CEO of the merged company.

The \$24.6 million financing includes investments by current Alnylam investors Cardinal Partners, Polaris Venture Partners, Atlas Venture, and ARCH Venture Partners, and includes \$9 million from existing RiboPharma investor, Abingworth Management Ltd. The financing will value the combined entity at \$64 million post-money. The funding will be used to accelerate the company's research and commercial initiatives, while expanding its management and scientific teams. The merger and concurrent financing are expected to close at the end of July.

Significant efforts continued in recruiting for key management positions, with the company successfully recruiting top industry personnel. In June, Thomas R. Ulich, M.D., joined Alnylam as Senior Vice President of R&D responsible for leading the research, drug discovery, pre-clinical and clinical product development activities. Dr. Ulich was formerly Vice President of Pre-clinical Development and Protein Therapeutics at Amgen, where he worked since 1993. He led a significant part of Amgen's efforts to develop therapeutics to address a wide array of diseases, including rheumatoid arthritis, cancer, anemia, and hepatitis C, and most recently managed an R&D staff of over 600 researchers.

With the acquisition of RiboPharma, Alnylam has solidified its position as the leading player in RNAi therapeutics. The combination has removed any ambiguity relative to the fundamental patents in the field and made Alnylam the clear choice for strategic relationships with major pharmaceutical companies. With the senior management team almost complete, the major goals for the remainder of the year are to complete a significant partnership deal with a major pharmaceutical company, and the initiation of pre-clinical development for its lead scientific program.

ALNYLAM PHARMACEUTICALS (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2002 Preliminary*</i>	<i>2003 Budget</i>
Revenues	0	5,000
R&D Expenses	662	5,800
SG&A Expenses	1,480	7,477
EBIT	-2,142	-8,277
Interest and Taxes	86	46
Net Income	-2,056	-8,231

* - Subject to Audit

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	1,187	1,760	+573
SG&A Expenses	1,644	2,242	+598
EBIT	-2,831	-4,002	+1,171
Interest and Taxes	27	9	+18
Net Income	-2,804	-3,993	+1,189

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	1,771	2,385	+614
SG&A Expenses	2,742	3,602	+860
EBIT	-4,513	5,987	+1,474
Interest and Taxes	55	39	+16
Net Income	-4,458	-5,948	+1,490

ALNYLAM PHARMACEUTICALS (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 11,075	Accounts Payable	\$ 1,344
Accounts Receivable	0	Accrued Expenses	977
Other Current Assets	<u>1,040</u>	Other Current Liabilities	<u>0</u>
Total Current Assets	12,115	Total Current Liabilities	2,321
Net PP&E	1,555	Long Term Debt - Lease line	510
Intangibles (Net)	0	Shareholders Equity	17,346
Other Assets	<u>0</u>	Retained Earnings	<u>-6,507</u>
Total Assets	<u>\$13,670</u>	Total Liabilities & Equity	<u>\$13,670</u>

Comments:

With the new \$26.4 million financing expected to close in July, the company will have raised a total of \$43 million since its inception in July 2002. These funds are expected to support operations for at least three years.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,000,000 shares
Assigned Fair Value (1,000,000 x \$2.50)	\$2,500,000
Investment Cost	\$1,000,000
Cost per Share	\$1.00
Series B Convertible Preferred Stock	1,300,000 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$3,250,000
Cost per Share	\$2.50
% Ownership (Full Dilution)	18.5%
Company Valuation at CHP II Cost	\$22.9 million
Company Valuation at Assigned Fair Value	\$30.2 million

Outlook:

We are very excited about the prospects for Alnylam as it builds on its leading market position in the RNAi based therapeutics field.

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

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 2nd Quarter 2003

Athena continued its solid performance through the second quarter, meeting or exceeding budget in most categories. The company remains on target to attaining cash flow breakeven in Q4 2003. While sales for the quarter were 12% below plan, YTD sales remain ahead of budget. Revenues for the quarter and YTD were on plan. Gross margin continues to exceed expectations driving a better the better than expected bottom line and cash burn for the year.

Revenues for the quarter exceeded \$5.6 million, increasing 12% over the prior quarter and meeting expectations for the period. The improved margins from Q1 have continued through Q2, due to a combination of an improved pricing mix on new customer implementations and a moderating cost growth with third party providers. Net income and EBITDA both show a greater than 10% positive variance to plan. Monthly cash burn averaged \$370K for the period, down over 33% from the prior quarter. As a result, the company is now \$300K ahead on its cash plan for the year.

Looking ahead, Q3 sales also look strong and are expected to achieve or exceed budget of \$4.6 million. However, management believes that a current gap in implementations will result in shortfall for Q3 net income that will reduce the YTD positive variance to \$125K. The company expects to extend its current capital equipment facility of \$2 million in July and is currently exploring raising a mezzanine capital round of \$5 million. Athena remains solidly on track for their primary milestone of 2003, the attainment of breakeven during Q4. We continue to expect the company will finish 2003 with an annual revenue run rate exceeding \$30 million and be an attractive candidate for a liquidity event with its robust recurring revenue model and strong margins.

ATHENAHEALTH, INC (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget**</i>
Revenues	3,459	11,985	25,706
Direct Expenses	6,480	10,137	16,897
SG&A	9,278	8,860	9,813
EBITDA	-12,299	-7,012	-1,004
Depreciation	1,636	2,493	3,174
Interest and Taxes	855	-55	-432
Net Income	-13,080	-9,560	-4,610

* Subject to Audit

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	5,623	5,639	-16
Direct Expenses	3,939	4,220	+281
SG&A	2,472	2,265	-207
EBITDA	-788	-846	+58
Depreciation	712	792	+80
Interest and Taxes	-96	-102	+6
Net Income	-1,596	-1,740	+144

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget**</i>	<i>Variance</i>
Revenues	10,666	10,679	-13
Direct Expenses	7,339	7,800	+461
SG&A	4,720	4,540	-180
EBITDA	-1,393	-1,661	+268
Depreciation	1,404	1,511	+107
Interest and Taxes	-175	-189	+14
Net Income	-2,972	-3,361	+389

** Budget Revised – February 2003

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 6,257	Accounts Payable	\$ 2,961
Accounts Receivable	2,688	Accrued Expenses	1,775
Other Current Assets	<u>653</u>	Other Current Liabilities	<u>2,052</u>
Total Current Assets	9,568	Total Current Liabilities	6,788
Net PP&E	2,626	Long Term Debt - Lease line	2,686
Intangibles (Net)	1,875	Shareholders Equity	44,330
Other Assets	<u>145</u>	Retained Earnings	<u>-39,560</u>
Total Assets	<u>\$14,244</u>	Total Liabilities & Equity	<u>\$14,244</u>

Comments:

Cash burn for the year has turned positive compared to budget as a result of improving margins and the solid sales results for the first quarter. Management is currently projecting achievement of cash flow breakeven in Q4 2003 with over \$5 million in cash. To provide a further cushion, the company is pursuing a mezzanine level financing of \$5-\$7 million.

CHP II, L.P. Holdings:

Series D Convertible Preferred Stock	1,623,377 shares
Assigned Fair Value	\$5,000,001
Investment Cost	\$5,000,001
Cost per Share	\$3.08

% Ownership (Full Dilution)	6.2%
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Company Valuation at CHP II Cost	\$81.3 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.

CARDIO-OPTICS, INC.
Boulder, CO
{www.cardiooptics.com}

Infrared Light Based Technology to Achieve Vision Through Blood to Guide Therapy

Period Summary: 2nd Quarter 2003

As reported previously, inconsistent results in animal testing during February and March of this year, led management to pare operations to concentrate solely on perfecting the technology to produce predictable and consistent images. The program was initiated in early May and has produced encouraging results. The company has now successfully reproduced the high quality results obtained in late 2002. Management continues to focus on improvements to the stability and quality of the images, but they are confident that the technology issues will be resolved by the end of this year.

The primary technical issues have been identified as illumination spread and image digitization. In June, the company reinitiated animal testing with a redesigned catheter tip to spread illumination over a larger surface area. These tests were performed at Johns Hopkins and have yielded improving images with each subsequent day of testing. The company has completed 3 of a scheduled 8 animal tests, with the program scheduled for completion by the end of October. Field Correction Software is also in development to improve image quality. The software should be available for use in the next scheduled animal test in August. Assuming that no further complications arise, management is optimistic that development of a new prototype can be completed for use in initial human clinical testing by the beginning of 2004.

Financial results reflect the reduced cash burn plan that was put into effect early in the current quarter. By the end of the quarter, monthly cash burn had been reduced to \$125K, allowing the company to sustain its R&D focused program for another 10-12 months. The company now has in place a cash efficient development strategy that we believe can yield significant progress on existing capital. The key milestones for the company for the next 6 to 9 months remain; continue to build its scientific advisory board, obtaining consistent and predictable results from animal studies, submission and approval of 510(k) for initial indication, initiation of human clinical studies, and making significant progress on the development of strategic marketing relationships.

CARDIO-OPTICS, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	0	0	285
Cost of Sales	0	0	256
SG&A	1,069	2,647	4,253
EBIT	-1,069	-2,647	-4,224
Interest and Taxes	5	21	18
Net Income	-1,064	-2,626	-4,206

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Cost of Sales	0	0	0
SG&A	466	497	+31
EBIT	-466	-497	+31
Interest and Taxes	-46	2	-48
Net Income	-512	-495	-17

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Cost of Sales	0	0	0
SG&A	1,279	1,625	+346
EBIT	-1,279	-1,625	+346
Interest and Taxes	-36	12	-48
Net Income	-1,315	-1,613	+298

CARDIO-OPTICS, INC. (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 1,527	Accounts Payable	\$ 16
Accounts Receivable	0	Accrued Expenses	227
Other Current Assets	<u>0</u>	Other Current Liabilities	<u>0</u>
Total Current Assets	1,527	Total Current Liabilities	243
Net PP&E	88	Long Term Debt - Lease line	13
Intangibles (Net)	0	Shareholders Equity	7,412
Other Assets	<u>92</u>	Retained Earnings	<u>-5,961</u>
Total Assets	<u>\$ 1,707</u>	Total Liabilities & Equity	<u>\$ 1,707</u>

Comments:

Managements reduced cash burn plan has reduced monthly cash outlay to \$125K. This rate will be maintained until the technology issues are resolved and a new prototype is available for human testing. We forecast that current capital should provide the company with adequate resources to fund operations into Q2 2004.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,290,323 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$2,000,000
Cost per Share	\$1.55
% Ownership (Full Dilution)	23.5%
Company Valuation at CHP II Cost	\$8.5 million
Company Valuation at Assigned Fair Value	\$8.5 million

Outlook:

The technical issues that have resulted in the delay to market are of some concern, but we remain optimistic these can be resolved successfully and Cardio-Optics will provide superior returns on our investment.

INTELLICARE AMERICA, INC.

South Portland, ME

{www.intellicare.com}

Integrated Telecommunications, Web and Data Networks for Patient Management

Period Summary: 2nd Quarter 2003

Financial performance at Intellicare for the first half of 2003 was solid, with revenue, EBITDA and net income all ahead of plan. Operationally, performance metrics are in line with expectations and margin improvement is becoming evident. Management has initiated a number of internal strategic initiatives with teams tasked to improve specific focus areas including workforce management, service quality, margin improvement, product development and revenue growth. The company has also recently been approached by one of its service partners proposing discussions on a potential merger. We believe that it is likely that the company will receive an offer to merge during Q3.

Revenues for the quarter and YTD have outperformed plan by 3% and 5% respectively. Net loss for the quarter was 13% better than plan primarily due to improved margins in the technology business unit. YTD net loss is also better than plan as a result of the improvement in margins and a lower use of credit facilities. Management expects continued margin improvement in both business units for the remainder of the year. Cash flow has run behind expectation primarily because of the later than anticipated closing of the recently completed term loan with Comerica and decreases in deferred revenue from the shift in new business from technology to outsource. Management now predicts a cash balance of \$3.5 million at year-end, or about 13% below budget.

The primary disappointment this year has been the continued delays experienced in implementation of the CMS disease management program for a large disease management customer. This coupled with a concerted effort to shift sales emphasis more heavily toward new outsource customers, will most likely result in a \$600K-\$800K revenue shortfall for the second half of 2003. Accordingly, management is implementing cost savings initiatives that will bring full year 2003 net income in-line or slightly below budget. While we no longer expect the company to be cash flow breakeven by the end of this year, we are confident that the company will attain that milestone early in 2004. Monthly cash burn at the end of the year should be less than \$100K, with expected ramping of revenues from the large CMS contract just beginning to accelerate.

INTELLICARE AMERICA (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	5,483	7,505	14,950
Cost of Revenues	6,593	6,945	11,823
SG&A	3,159	4,460	6,077
EBIT	-4,269	-3,900	-2,950
Interest and Taxes	60	-3	-39
Net Income	-4,209	-3,903	-2,989

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	3,631	3,532	+99
Cost of Revenues	2,120	2,034	-86
SG&A	2,270	2,351	+81
EBIT	-759	-853	+94
Interest and Taxes	-1	-21	+20
Net Income	-760	-874	+114

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	7,006	6,651	+355
Cost of Revenues	4,302	3,903	-399
SG&A	4,610	4,697	+87
EBIT	-1,906	-1,949	+43
Interest and Taxes	7	-36	+43
Net Income	-1,899	-1,985	+86

INTELLICARE AMERICA (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 4,137	Accounts Payable	\$ 648
Accounts Receivable	1,643	Accrued Payroll	772
Other Current Assets	<u>71</u>	Other Current Liabilities	<u>1,236</u>
Total Current Assets	5,851	Total Current Liabilities	2,656
Net PP&E	1,380	Long Term Liabilities	241
Intangibles (Net)	55	Shareholders Equity	19,285
Other Assets	<u>316</u>	Retained Earnings	<u>-14,580</u>
Total Assets	<u>\$ 7,602</u>	Total Liabilities & Equity	<u>\$ 7,602</u>

Comments:

Intellicare is currently 10% behind plan for cash. An additional \$750K to the credit facility with Comerica will fund the Magellan asset purchase and put the company more in line with its cash forecast. Current capital is expected to be more than sufficient to support operations through the attainment of cash flow break even in the early months of 2004.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	3,000,000 shares
Assigned Fair Value (\$0.1923 x 7,616,146 CSE's)	\$1,464,585
Investment Cost	\$3,000,000
Cost per Share	\$1.00
Series C Convertible Preferred Stock	5,200,208 shares
Assigned Fair Value	\$1,000,000
Investment Cost	\$1,000,000
Cost per Share	\$0.1923
Series C Preferred Stock Warrants	510,243 shares
Exercise Price Per Share	\$0.1923
% Ownership (Full Dilution)	12.7%
Company Valuation at CHP II Cost	\$31.5 million
Company Valuation at Assigned Fair Value	\$20.1 million

Outlook:

With the company on a clear path to profitability, and with recent interest from a potential acquirer, we remain optimistic about the prospects for our investment in IntelliCare.

iPHYSICIANNET, INC.
Scottsdale, AZ
{www.ipni.com}

eDetailing ASP Linking Pharmaceutical Companies and Physicians

Period Summary: 2nd Quarter 2003

While iPhysicianNet (IPNI) continued to perform ahead of its financial plan in the current quarter, the company ended the period without sufficient capital resources to continue operations through the next quarter. The current quarter contained a flurry of activity that could have provided the company with much needed financial support. However, by quarters end, with the loss of another major client in June, all of the potential deals had been either withdrawn or progress was not very encouraging.

Early in the quarter, Cardinal had introduced the company to a potential acquisition or merger partner. The initial meeting was unproductive due to management's reluctance to share information. This led to an initial reticence to proceed from the other party, but discussions were revitalized through the efforts of Cardinal and the IPNI investor syndicate. Another potential strategic investor was also introduced in May. Both sets of discussions eventually bogged down for reasons that were mostly not within the control of IPNI.

In early June, the company agreed to terms of a \$6 to \$10 million financing to be led by a current investor Cross Atlantic Capital Partners, on terms that were objectionable to most of the rest of the investor syndicate. However, without a viable alternative, the Board felt compelled to accept the terms in hopes that a financing could be completed in the next 60 days. In mid-June, IPNI received notice from GlaxoSmithKline that it was going to terminate its contract for video detailing services effective at the end of September. Upon the receipt of this news, the financing proposal was withdrawn.

In late June, management approached all five of its remaining clients in an effort to obtain pricing concessions and additional prepayments in order to sustain operations through the remainder of 2003. While three of the five clients agreed to substantially all of the requested pricing changes, two did not, leaving the company with a \$3 million shortfall for Q3. As a result, management has proposed a rights offering to the current investors to raise a total of \$4.5 to \$7 million that management projects would, in concert with the pharmaceutical client concessions, take the company to cash flow breakeven by the end of 2004. A number of the current investors, including Cardinal, voiced reservations about the viability of the revised business plan and the proposed terms for the financing. Under these circumstances, we are not optimistic that the company will either retain all of its current clients and/or attain suitable financing. Accordingly, we have marked the investment down to a minimal value and recorded an unrealized loss of \$2,877,948 until a subsequent financing round is completed.

iPHYSICIANNET (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual*</i>	<i>2003 Budget</i>
Revenues	10,276	18,489	27,175
Operating Expenses	31,622	23,782	26,726
SG&A	16,865	7,936	8,545
EBITDA	-38,211	-13,229	-8,096
Interest and Taxes	354	-1,256	-2,373
Net Income (Loss)	-37,857	-14,485	-10,469
EBITDA	-33,693	-8,876	-3,890

* - Subject to Audit

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	4,799	5,613	-814
Cost of Sales	5,162	6,181	+1,019
SG&A	2,054	2,185	+131
EBIT	-2,417	-2,753	+336
Interest and Taxes	-374	-456	+82
Net Income (Loss)	-2,791	-3,209	+418

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	9,902	11,685	-1,783
Cost of Sales	10,287	12,356	+2,069
SG&A	3,973	4,393	+420
EBIT	-4,358	-5,064	+706
Interest and Taxes	-718	-812	+94
Net Income (Loss)	-5,076	-5,876	+800

iPHYSICIANNET (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 1,059	Accounts Payable	\$ 3,276
Accounts Receivable	4,262	Accrued Expenses	2,568
Other Current Assets	<u>0</u>	Deferred Revenue	<u>10,621</u>
Total Current Assets	5,321	Total Current Liabilities	16,465
Net PP&E	3,116	Long Term Debt	12,499
Intangibles (Net)	0	Shareholders Equity	79,766
Other Assets	<u>833</u>	Retained Earnings	<u>-99,640</u>
Total Assets	<u>\$ 9,270</u>	Total Liabilities & Equity	<u>\$ 9,270</u>

Comments:

While the company is significantly ahead of its cash flow plan for the year, current capital will support operations only into Q3 2003. Management has requested \$4.5 to \$7 million from the current investors in the form of a rights offering that thus far has had a lukewarm reception.

CHP II, L.P. Holdings:

Series E Convertible Preferred Stock	1,250,000 shares
Common Stock Equivalents	5,000,000 shares
Assigned Fair Value	\$0
Investment Cost	\$5,000,000
Cost per Common Stock Equivalent	\$1.00
Series G Convertible Preferred Stock	378,948 shares
Assigned Fair Value	\$1,000
Investment Cost	\$757,897
Cost Per Share	\$2.00
Common Stock Warrant (Series G Warrant Shares)	757,896 shares
Exercise Price per Share	\$0.01
% Ownership (Full Dilution)	6.1%
Company Valuation at CHP II Cost	\$94.4 million
Company Valuation at Assigned Fair Value	Minimal

Outlook:

With the loss of another client, we are not hopeful about the prospects for IPNI.

MOBILE MEDICAL INDUSTRIES, INC.
Boca Raton, FL
{www.mobilemedicalind.com}

Provider of comprehensive, integrated home-based medical services.

Period Summary: 2nd Quarter 2003

The quarter was highlighted by the hiring of Greg Bellomy as CEO triggering the \$9.75 million second and final closing of the Series B financing. Financial performance for the period lagged plan primarily due to delays in closing anticipated acquisitions and new business opportunities. Financial results for the year are largely ahead of plan.

In June, the company successfully concluded its CEO recruiting effort with the hiring of Greg F. Bellomy as President/Chief Executive Officer. Mr. Bellomy comes to MMI with twenty years of finance, healthcare operations, and senior level experience. Most recently he served as Group President for StarMed Health Personnel, Inc. (RHB-NYSE), a \$250 million division of RehabCare Group located in St. Louis, Missouri. Previously, as President for its Contract Therapy division, he grew revenues during a three-year span from \$12 million to \$90 million, making it the fastest growing division within RehabCare. Mr. Bellomy will transition into his new position with MMI and be full time in early August.

During the quarter, CHP II contributed \$1.5 million to the \$9.75 million second tranche of the August 2002 Series B financing. The second closing was contingent upon successful conclusion of the CEO recruiting effort. Post-closing, CHP II owns 8.5% of MMI on a fully diluted basis for its investment of \$4 million.

Financial results for the quarter were somewhat disappointing, while YTD results remain ahead of plan in many areas. Revenues for the quarter were \$8.1 million and well under plan primarily due to delays in closing budgeted acquisitions and new market entry. Same store sales growth is ahead of plan for the year, while YTD revenues are slightly behind plan in all operating divisions. Gross margin percentage exceeded plan for the quarter and remains well ahead of plan for the year. MMI is more than 10% ahead of its YTD goal for EBITDA and would have been well ahead of plan in terms of net income were it not for a one time goodwill write-off in the current quarter. YTD operating cash flow remains ahead of plan. Management expects to have a substantial credit facility in place by the end of next quarter.

MOBILE MEDICAL INDUSTRIES, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	23,911	30,440	41,730
Direct Expenses	10,967	15,872	20,971
SG&A	15,197	19,011	23,126
EBIT	-2,253	-4,443	-2,367
Interest and Taxes	-1,760	-1,263	+521
Net Income	-4,013	-5,706	-1,846
EBITDA	-1,248	-3,966	-1,727

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	8,526	9,819	-1,293
Direct Expenses	4,299	4,993	+694
SG&A	5,564	5,705	+141
EBIT	-1,337	-879	-458
Interest and Taxes	-31	32	-63
Net Income	-1,368	-847	-521
EBITDA	-1,203	-774	-429

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	16,964	17,631	-667
Direct Expenses	8,615	9,163	+548
SG&A	10,310	10,633	+323
EBIT	-1,961	-2,165	+204
Interest and Taxes	-64	450	-514
Net Income	-2,025	-1,715	-310
EBITDA	-1,691	-1,920	+229

MOBILE MEDICAL INDUSTRIES, INC. (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 9,938	Accounts Payable	\$ 603
Accounts Receivable	7,217	Accrued Expenses	2,673
Other Current Assets	<u>733</u>	Other Current Liabilities	<u>1,426</u>
Total Current Assets	17,888	Total Current Liabilities	4,702
Net PP&E	1,414	Debt and Other Liabilities	2,159
Acquired Goodwill (Net)	8,603	Shareholders Equity	38,832
Other Assets	<u>373</u>	Retained Earnings	<u>-17,415</u>
Total Assets	<u>\$28,278</u>	Total Liabilities & Equity	<u>\$28,278</u>

Comments:

With the \$9.75 million cash infusion in May, the company has adequate capital resources to operate for at least 24 months. The company should be operating at cash flow positive in the next 6-9 months. We do not foresee the need for additional capital at MMI, unless an unforeseen large acquisition was to take place.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	400,000 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$4,000,000
Cost per Share	\$10.00

% Ownership (Full Dilution) 8.5%

Company Valuation at CHP II Cost	\$47.1 million
Company Valuation at Assigned Fair Value	\$47.1 million

Outlook:

We remain very enthusiastic about the prospects for our investment in Mobile Medical.

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

Software Tools for Genomics Research

Period Summary: 2nd Quarter 2003

During the current period much progress was made in liquidation of the assets of Molecular Mining. As reported previously, in March, after all potential financing/merger initiatives were proven to be unsuccessful, the Board determined that the company did not have sufficient working capital to support continued operations under management revised plan and voted to conduct an orderly liquidation of the company's assets.

By the end of the quarter, all of the physical assets have been sold and substantially all of the liabilities of the company have been settled. The remaining assets are primarily intangible (patents, copyrights, trademarks, etc...). An agreement has been reached with ParTeq Innovations to act as agent to sell these intangible assets. 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. Potential buyers have expressed a fair amount of interest in the first three months and we are hopeful that terms for a sale can be completed by the end of the third quarter.

It is expected that the liquidation process will be concluded over the next 3-6 months. Current estimates are that after settling all of the company's obligations, approximately \$750K could be available for distribution to the equity holders of the company. CHP II will receive 18.25% of all shareholder distributions.

MOLECULAR MINING CORPORATION (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	131	414	1,238
Cost of Sales	20	132	147
Operating Expenses	3,261	3,926	2,625
EBIT	-3,150	-3,644	-1,534
Interest and Taxes	211	100	7
Net Income	-2,939	-3,544	-1,527

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget*</i>	<i>Variance</i>
Revenues	0		
Cost of Sales	0		
Operating Expenses	941		
EBIT	-941		
Interest and Taxes	3		
Net Income	-938		

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget*</i>	<i>Variance</i>
Revenues	68		
Cost of Sales	1		
Operating Expenses	1,795		
EBIT	-1,728		
Interest and Taxes	11		
Net Income	-1,717		

* No budget is presented here as Molecular Mining has ceased operations.

MOLECULAR MINING CORPORATION (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 619	Accounts Payable	\$ 6
Accounts Receivable	102	Accrued Expenses	87
Prepaid Expenses	<u>0</u>	Notes Payable	<u>0</u>
Total Current Assets	721	Total Current Liabilities	93
Net PP&E	0	Long Term Debt	0
Intangibles (net)	0	Shareholders Equity	11,598
Other Assets	<u>0</u>	Retained Earnings	<u>-10,970</u>
Total Assets	<u>\$ 721</u>	Total Liabilities & Equity	<u>\$ 721</u>

Comments:

The company is currently liquidating all of its assets. The balance sheet does not contain any value for the intellectual property assets of the company, which are currently being sold. The current estimate is that approximately \$750K will be available for distribution to the Series B investors upon completion of the liquidation. CHP II will receive 18.25% of any distribution to the Series B shareholders.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	737,422 shares
Assigned Fair Value	\$100,000
Investment Cost	\$1,509,060
Cost per Share	\$2.05
% Ownership (Full Dilution)	8.2%
Company Valuation at CHP II Cost	\$18.0 million
Company Valuation at Assigned Fair Value	Minimal

Outlook:

The return from our investment in Molecular Mining will be minimal.

MOMENTA PHARMACEUTICALS, INC.
(formerly Mimeon, Inc.)
Cambridge, MA
{www.momenta.com}

Glycomics Based Drug Discovery and Development

Period Summary: 2nd Quarter 2003

Momenta had an excellent quarter led by the closing of a \$19 million second round financing and a positive pre-ANDA meeting with the FDA in May. Corporate partnering discussions are continuing and management expects to have a deal in place by the end of next quarter.

During the quarter, management held a pre-filing meeting with the FDA regarding its lead product, a generic equivalent to heparin. The goal of the meeting was to obtain FDA guidance on Momenta's current plan to demonstrate pharmaceutical equivalence and submit a proper ANDA filing for FDA consideration and approval. The meeting was well attended and encouraging, but due to the nature of the Momenta product as a "biologic", the company will be breaking new ground that will require a close working relationship with the agency throughout the application and approval process. Management currently anticipates the filing of an ADNA in June 2004.

Corporate partnering discussions made good progress this quarter. The company has purposely continued to parallel process multiple partners to reduce risk and maintain a competitive arena for the deal. The most promising discussions are nearing a fully negotiated definitive agreement and established a timeline for execution this summer. Other partner discussions are further behind, but if vigorously pursued could be completed by late summer. Management is confident of finalizing a deal in the coming quarter.

On May 19th, the company closed a \$19 million second round financing co-led by Atlas Ventures and MVM Limited. CHP II contributed \$2.875 million to the financing, which values the company at \$39.5 million post-money. Post-financing CHP II owns 10% of the company on a fully diluted basis for its total investment of \$3.875 million. These funds are expected to fund operations 2.5 to 3 years.

With the completion of the Series B financing, Momenta has completed one of its major goals for the year. The primary focus areas for the coming 12 months will be the completion of a major corporate alliance, developing and initiating a manufacturing plan by year-end on its lead product and the filing of an ANDA by mid-2004. Overall progress and prospects at Momenta remain excellent.

MOMENTA PHARMACEUTICALS, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	0	0	100
Research Expenses	206	1,436	4,492
Operating Expenses	161	2,701	7,495
EBIT	-367	-4,137	-11,887
Interest and Taxes	2	17	21
Net Income	-365	-4,120	-11,866

* - Subject to Audit

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Research Expenses	428	1,440	+1,012
Operating Expenses	1,296	1,762	+466
EBIT	-1,724	-3,202	+1,478
Interest and Taxes	4	36	-32
Net Income	-1,720	-3,166	+1,446

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Research Expenses	1,228	2,520	+1,292
Operating Expenses	1,653	2,787	+1,134
EBIT	-2,881	-5,307	+2,426
Interest and Taxes	3	51	-48
Net Income	-2,878	-5,256	+2,378

MOMENTA PHARMACEUTICALS, INC. (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 18,296	A/P & Accrued Expenses	\$ 861
Prepaid Expenses	99	Deferred Charges	0
Other Current Assets	<u>0</u>	Notes Payable	<u>323</u>
Total Current Assets	18,395	Total Current Liabilities	1,184
Net PP&E	1,006	Long Term Debt	550
Intangibles (net)	0	Shareholders Equity	25,097
Other Assets	<u>63</u>	Retained Earnings	<u>-7,367</u>
Total Assets	<u>\$19,464</u>	Total Liabilities & Equity	<u>\$19,464</u>

Comments:

With the completion of the \$19 million financing in May, the company has sufficient capital to support operations for 2 1/2 to 3 years.

CHP II, L.P. Holdings:

Series AA Convertible Preferred Stock	348,432 shares
Assigned Fair Value (348,432 shares x \$2.95)	\$1,027,875
Investment Cost	\$1,000,000
Cost per Share	\$2.87
Series B Convertible Preferred Stock	974,577 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$2,875,002
Cost per Share	\$2.95
% Ownership (Full Dilution)	9.9%
Company Valuation at CHP II Cost	\$39.1 million
Company Valuation at Assigned Fair Value	\$39.5 million

Outlook:

With the company well capitalized, the combination of the high potential of the company's technology and the prior record of successful business development of CEO Alan Crane, leads us to be very enthusiastic about the prospects for Momenta.

REPLICATION MEDICAL, INC.
New Brunswick, NJ
{www.replicationmedical.com}

Nucleus replacement device for the treatment of degenerative disc disease in the spine.

Period Summary: 2nd Quarter 2003

The primary objectives for Replication in 2003 include: the initiation of a European human clinical trial in the fall; manufacturing and maintaining an adequate supply of implants for clinical trials; conforming with the European Union (EU) CE Mark regulations for in vitro medical devices; and the submission with the FDA of an Investigational Device Exemption (IDE) application. During the quarter, the company has engaged its lead clinical investigator in Europe and designed the pilot clinical trial.

Replication has engaged Dr. Rudi Bertagnoli, an internationally respected spine surgeon in Western Europe, as the lead clinical investigator for its pilot clinical trial. The trial will enroll 10 patients for implant of the Replication NeuDisc™ nucleus replacement device. The company expects the initial implant procedure to take place this fall and the trial to be completed by the end of the year. Simultaneously, the company will prepare and complete the CE Mark certification process. The CE Mark is a relatively new regulation that contains specific requirements that must be fulfilled by device manufacturers if they plan to sell products within the European Union.

Over the next quarter, much of management's attention will be focused on attaining an adequate supply of the implants for clinical testing. Management is hopeful of completing this process and releasing clinical supplies of the product by the beginning of September.

The company is also progressing in its pre-clinical testing necessary for submission of a US IDE application. The process includes material testing and characterization, bench testing and cadaver testing of the product, biocompatibility testing including toxicity, wear and degradation and further animal testing, in this case using a cow model. Many of these activities are underway and are expected to be complete in Q4 2003. The company anticipates holding a second pre-IDE meeting with the FDA to review its plan during the summer. Assuming all goes according to plan, management forecasts submission of the IDE application at the end of 2003 and beginning the pivotal trial for US approval in early 2004.

REPLICATION MEDICAL (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	0	0	0
Research Expenses	1,163	1,255	2,377
Operating Expenses	266	324	451
EBIT	-1,429	-1,579	-2,828
Interest and Taxes	44	3	48
Net Income	-1,385	-1,576	-2,780

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Research Expenses	574	585	+11
Operating Expenses	201	195	-6
EBIT	-775	-780	+5
Interest and Taxes	13	8	+5
Net Income	-762	-772	+10

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Research Expenses	860	893	+33
Operating Expenses	317	254	-63
EBIT	-1,177	-1,147	-30
Interest and Taxes	14	21	-7
Net Income	-1,163	-1,126	-37

REPLICATION MEDICAL (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 4,688	A/P & Accrued Expenses	\$ 1
Prepaid Expenses	0	Deferred Charges	0
Other Current Assets	<u>0</u>	Notes Payable	<u>0</u>
Total Current Assets	4,688	Total Current Liabilities	1
Net PP&E	77	Long Term Debt	0
Intangibles (net)	0	Shareholders Equity	9,381
Other Assets	<u>3</u>	Retained Earnings	<u>-4,614</u>
Total Assets	<u>\$ 4,768</u>	Total Liabilities & Equity	<u>\$ 4,768</u>

Comments:

Given Replication's virtual operating model, current capital will likely last the company for two years.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	2,614,516 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$2,500,000
Cost per Share	\$0.9562
% Ownership (Full Dilution)	20.3%
Company Valuation at CHP II Cost	\$12.3 million
Company Valuation at Assigned Fair Value	\$12.3 million

Outlook:

The combination of a large and growing market looking for new therapies, multiple potential acquirors, the efficient virtual company operational model, high products margins and the proprietary nature of the Replication's technology, lead us to be very excited about the prospects for our investment.

RIB-X PHARMACEUTICALS, INC.
New Haven, CT
{www.rib-x.com}

Structure-Based Design of Anti-Infective Agents

Period Summary: 2nd Quarter 2003

With the closing of a significant financing during the quarter, Rib-X is well positioned to deliver on its scientific promise. Scientific programs continue to make positive progress and the company is on track with regards to its lead drug candidate clinical development plan.

In late April the company completed a \$63.5 million Series B financing. New investor Warburg Pincus, who contributed \$31 million to the round, led the financing. The financing occurred in two stages with the existing investors contributing \$12.5 million in December 2002 and then another \$20 million at the final close in April. All members of the existing investor syndicate participated in the round, with CHP II investing a total of \$2.875 million. The financing is valued at the same valuation as our current investment and values the company at \$80.0 million post-financing. The company now has an outstanding investor syndicate including Warburg Pincus, Cardinal Partners, Oxford Biosciences, EuclidSR Partners, Zero Stage Capital and SR One Limited. In the current financing environment, we could not have envisioned a better result for the company.

The lead scientific program is focused towards a development of a drug candidate with the balance of properties suitable for a product addressing the large respiratory tract infection (RTI) market. During the quarter, the company has narrowed its lead program to a specific group of compounds that has shown 90% or better efficacy against one major RTI organism, along with the promise of addressing *H influenzae*, a particularly difficult RTI strain that currently has no effective therapeutic treatment. The company remains on target with its stated goal of bringing a lead compound into late pre-clinical development this year, and the filing of its' first IND in mid-2004.

With enough capital to operate for at least three years and likely through Phase II clinical trials for the company's lead compound, we are excited about the prospects for the company. A significant milestone in the coming year will be the establishment of a corporate alliance with a major pharmaceutical company.

RIB-X PHARMACEUTICALS, INC. (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2001 Actual</i>	<i>2002 Actual</i>	<i>2003 Budget</i>
Revenues	0	0	0
R&D Expenses	593	5,283	8,080
Operating Expenses	828	2,192	3,929
EBIT	-1,421	-7,475	-12,009
Interest and Taxes	-11	-71	-153
Net Income	-1,432	-7,546	-12,162

Last Three Months: Quarter Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	2,018	2,248	+230
Operating Expenses	546	500	-46
EBIT	-2,564	-2,748	+184
Interest and Taxes	42	-86	+128
Net Income	-2,522	-2,834	+312

Fiscal Year-to-Date: Six Months Ended June 30, 2003

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	4,126	4,611	+485
Operating Expenses	1,070	1,000	-70
EBIT	-5,196	-5,611	+415
Interest and Taxes	-28	-153	+125
Net Income	-5,224	-5,764	+540

RIB-X PHARMACEUTICALS, INC. (cont.)

Summary Balance Sheet as of June 30, 2003: (\$000)

Cash	\$ 57,415	Accounts Payable	\$ 771
Accounts Receivable	0	Accrued Expenses	0
Other Current Assets	<u>279</u>	Notes Payable Current	<u>657</u>
Total Current Assets	57,694	Total Current Liabilities	1,428
Net PP&E	6,083	Notes Payable	4,026
Intangibles (net)	0	Shareholders Equity	72,690
Other Assets	<u>242</u>	Retained Earnings	<u>-14,125</u>
Total Assets	<u>\$64,019</u>	Total Liabilities & Equity	<u>\$64,019</u>

Comments:

The company is ahead of its cash burn plan for the year, however, burn is expected to accelerate to meet budget expectations over the next few months. With the closing of an additional \$51 million in financing during the quarter, the company has enough capital to operate for at least three years.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,817,741 shares
Assigned Fair Value (cost)	\$1,125,000
Investment Cost	\$1,125,000
Cost per Share	\$0.6189
Series B Convertible Preferred Stock	4,645,339 shares
Assigned Fair Value (cost)	\$2,875,000
Investment Cost	\$2,875,000
Cost per Share	\$0.6189
% Ownership (Full Dilution)	4.9%
Company Valuation at CHP II Cost	\$80.0 million
Company Valuation at Assigned Fair Value	\$80.0 million

Outlook:

With the company now well capitalized, Rib-X is building momentum and we are excited by its prospects.