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HEALTH EVOLUTION PARTNERS LAUNCHES INNOVATION NETWORK

Unique Collaboration to Foster Innovation in Healthcare Delivery

SAN FRANCISCO, March 31, 2008 -- Health Evolution Partners, a manager of health care investments, today announced the launch of the Health Evolution Partners Innovation Network (HEPIN), an investment fund aimed at early stage and venture companies. Health Evolution Partners has allocated \$200 million to HEPIN as a vehicle for identifying and supporting new ways to organize, deliver and finance health care. HEPIN is seeking out leading entrepreneurs and talented investment fund managers to build up the “best of the best” in health care innovations and to bring them into mainstream health practices.

“We face a troubling innovation gap in health care,” said David J. Brailer, MD, PhD, chairman of Health Evolution Partners. “Too few of our biomedical discoveries make it into daily practice because we organize and deliver care the same way we did 100 years ago.”

Health Evolution Partners appointed Roy Ziegler to direct HEPIN’s early stage investing activity. Mr. Ziegler has 25 years of experience as an entrepreneur, venture fund partner, manager and board member of technology-driven healthcare companies. During his career, he has held executive positions with Partech International, First Consulting Group and Accenture.

Health Evolution Partners has also named advisors to support HEPIN investment activities. Each HEPIN advisor has deep experience and a passion for innovation in health care. HEPIN advisors include:

- Richard H. Carmona, MD, MPH, FACS, 17th Surgeon General of the United States (2002-2006), Vice Chairman of Canyon Ranch; President, Canyon Ranch Institute; Distinguished Professor Zuckerman College of Public Health, University of Arizona;
- David M. Lawrence, MD, former chairman and CEO of Kaiser Permanente;
- Arnold Milstein, MD, MPH, co-founder of The Leapfrog Group; national leadership in making health care markets conducive to high value innovations;
- Molly J. Coye, MD, MPH, founder and CEO of The Health Technology Center.

“Health Evolution Partners is bringing a fresh perspective and deep insight to its investing activity,” said Dr. Milstein. “Carefully selected venture fund partners coupled with the advisors’ breadth of experience and knowledge will result in bringing to market tools and technologies that can accelerate creation of a more efficient, higher quality and consumer-focused health care system.”

Health Evolution Partners also announced that it completed investments in two venture funds, Cardinal Partners and the Psilos Group. Over the next year, three to four more investments will be made in leading health care venture funds. These funds will work closely with Health Evolution Partners and with each other to bring solutions and technologies from concept to widespread national use.

“Innovative new health care technologies offer tremendous opportunities to improve the U.S. health care system,” said Albert S. Waxman, PhD, senior managing member of Psilos. “Our collaboration with Health Evolution Partners will help bring those innovations to commercial success.”

“We have been proud of the leading role we have played in the formation of important healthcare companies,” said John Clarke, managing partner of Cardinal Partners. “But it hasn't always been easy to find experienced, compatible collaborators in these highly specialized healthcare market spaces. We believe our participation in the Health Evolution Partners Innovation Network represents an unparalleled pooling of experience and expertise in the complex and ever-changing healthcare landscape.”

“Cardinal Partners and the Psilos Group are top tier venture funds with exceptional investment track records in the health care industry,” said Brailer. “We will partner with them and other strong health care venture funds to build the best companies in health care and deliver the best return for our investors.”

About

Health Evolution Partners

Health Evolution Partners is a health care investment manager founded in 2007. Health Evolution Partners invests across the health care industry, from early stage to buyouts and from services to technologies. It is seeking companies that can lead and become valuable in the new era of value-based, cost-effective and consumer-driven health care. To learn more about Health Evolution Partners, visit www.healthevolutionpartners.com.

Cardinal Partners (www.cardinalpartners.com) has been one of the leading venture capital partnerships focused exclusively on healthcare investing since 1996. Cardinal specializes in early stage financing rounds, usually as the lead investor in the initial financing round of a growth company. Since 1997, companies funded by Cardinal have a cumulative market valuation exceeding \$6 billion. Cardinal currently manages funds totaling \$330 million.

Psilos Group (www.psilos.com), founded in 1998, is a healthcare-focused venture capital firm which invests in the healthcare services, healthcare information technology

and medical technology sectors. With more than \$500 million under management, Psilos invests in companies that demonstrate the ability to reduce healthcare system costs while improving quality of care, and the ability to align the incentives of patients, payers and providers.

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