



HLM VENTURE PARTNERS

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HLM VENTURE PARTNERS ANNOUNCES 2005 HIGHLIGHTS

BOSTON, MA – January 4, 2006 – HLM Venture Partners, a leading venture capital firm focused on investing in health care information technology, health care services and medical technology companies, is pleased to announce several significant milestones in 2005, including the sale of three portfolio companies; investments in three new portfolio companies; and successful follow-on investments for four of its portfolio companies at attractive valuations led by well-respected venture firms.

In the final weeks of 2005, HLM Venture Partners had two portfolio companies announce mergers. On December 16, Johnson & Johnson announced that it was acquiring **Animas Corporation** (NASDAQ: PUMP), the second largest provider of external insulin pumps for diabetics, for \$518 million. HLM was the lead investor in Animas' Series B venture financing in 2001, and expects to realize proceeds of 3.2 times its invested capital. On December 15, **CorSolutions, Inc.**, a pioneer in the disease management industry, announced it was being acquired by Matria Healthcare for \$445 million. HLM invested in CorSolutions in 1995 and expects to realize over 4.5 times its invested capital. Earlier in the year, a third portfolio company, **American WholeHealth, Inc.**, the nation's leading provider of integrative medicine services, was acquired by AXIA Health Management LLC. HLM invested in American WholeHealth in October 1997 and realized a return of 2.2 times its carrying value.

In April 2005, HLM Venture Partners led a \$12 million investment in **GTESS Corporation**, a national provider of business process outsourcing services for the health care industry. GTESS's current offering, the Claims Gateway Solution, improves connectivity between providers, payers and health plans while increasing claims processing efficiency and reducing the overall cost of health care. In June 2005, HLM Venture Partners teamed with Claritas Capital to co-lead a \$5 million investment in **Sanovia Corporation**, a leading provider of services and technology for payors to manage specialty pharmaceutical costs. In June 2005, HLM Venture Partners led a \$4.7 million financing of **Thomas, Thomas and Walsh (TT&W)**. TT&W specializes in obtaining Medicaid and Social Security disability eligibility benefits for self-pay patients on behalf of hospital clients.

“This has been an active and exciting year for us and we are very pleased with the pending sales of both Animas and CorSolutions, as well as with the new companies that have joined the HLM Venture Partners’ portfolio,” said Ed Cahill, Managing Partner of HLM Venture Partners. “As one of the few firms currently investing in health care services and information technology, we are seeing a remarkable level of interest from investors looking for opportunities in these sectors. We anticipate that investor participation will grow and look forward to teaming with new, innovative companies in 2006.”

HLM Venture Partners also made follow-on investments in four portfolio companies as part of their successful equity financings and made one valuation adjustment based on a secondary transaction:

- **Spinal Kinetics, Inc.**, an orthopedic products company focused on developing and commercializing artificial disks as an alternative to spinal fusion procedures, raised \$36 million in a Series B financing in December 2005 at a valuation 1.5 times HLM’s initial Series A investment.
- **Confluent Surgical, Inc.** focuses on developing surgical products based on its proprietary in-situ polymerized hydrogel technology. In April 2005, the company’s DuraSeal product received approval from the U.S. Food and Drug Administration. It is the first and only product indicated as an adjunct to sutured dural repair during cranial surgery to achieve watertight closure. Confluent raised \$23 million in a Series D financing in March 2005.
- **Fieldglass, Inc.**, a provider of vendor-neutral procurement solutions for industry leading Global 2000 companies, raised \$11 million in a Series B financing in January 2005.
- **Guava Technologies, Inc.** a leading provider of cellular analysis instruments and reagents raised \$7 million in a Series E financing in November 2005.
- **Cord Blood Registry (Cbr)** shareholders completed a secondary sale of common stock in April 2005 at a value 2.5 times HLM’s invested cost.

About HLM Venture Partners

HLM Venture Partners, based in Boston, Massachusetts, provides venture capital to emerging companies focused in the health care services, health care information technology and medical technology sectors. HLM Venture Partners supports entrepreneurs as they turn innovative ideas into market-leading businesses, offering guidance on financial structuring and mergers, resource allocation and deployment, strategic planning, strategic introductions, and recruitment. For more information, please visit www.hlmventurepartners.com.