

Sterling Venture Partners II

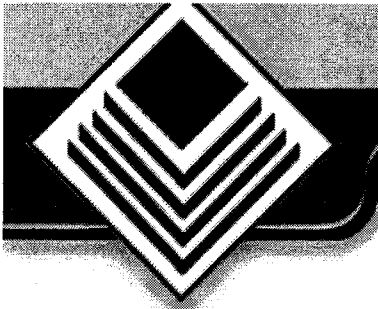
A Fund Sponsored by Sterling Partners

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1033 Skokie Boulevard • Northbrook, IL 60062 • 847-480-4000

SVP02142

EH0093_02145



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All IRR calculations contained herein reflect gross IRR and are therefore not reduced by carried interest, management fees or other fund expenses. All IRR calculations and current values contained herein are as of December 31, 2003 except as otherwise noted.

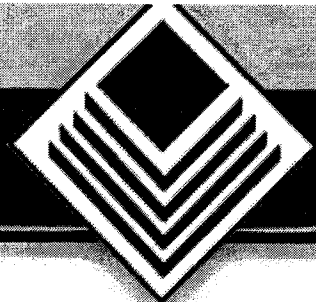
Past performance is no assurance of future results.

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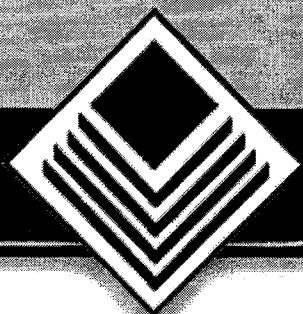
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Agenda

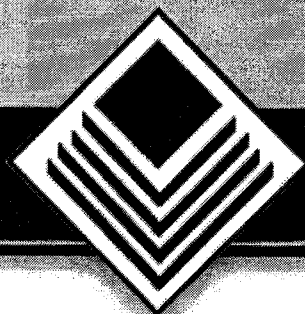
- Introduction
- Investment Strategy
- Proven Performance
- Appendices
 - Team Biographies
 - SVP I Portfolio Overview



Introduction

- Outstanding returns
- Proven team
- Unique strategy
- Timing

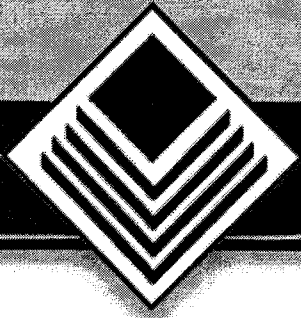
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We Build Businesses....

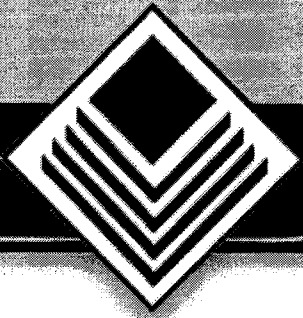
Our investment philosophy is founded on deep operating and industry experience and a disciplined process: BVA

Our focus is on strategy, execution and exit



Investment Strategy

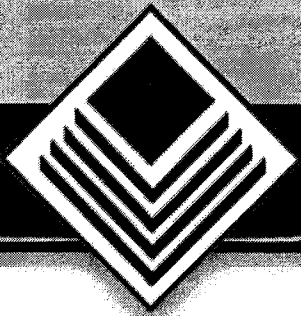
- Expansion stage / Growth capital
- Sector focus
- Investment control
- Disciplined investment process



Investment Strategy

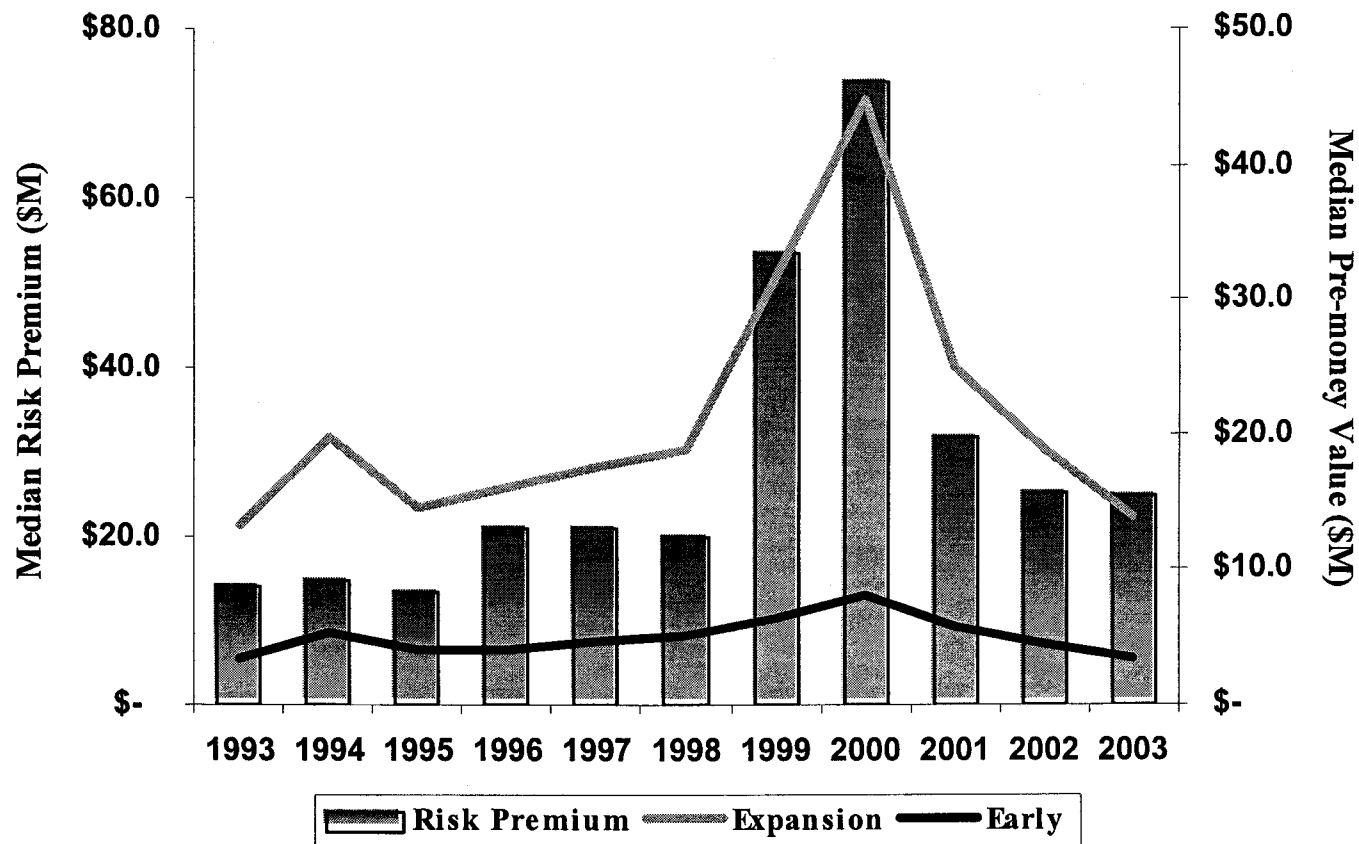
Expansion Stage

- Risk reward sweet spot
- Operational focus / BVA
- Timing – valuations and exits
- Nine companies in SVP I



Investment Strategy

Expansion Stage



Source: NVCA / Thomson Financial

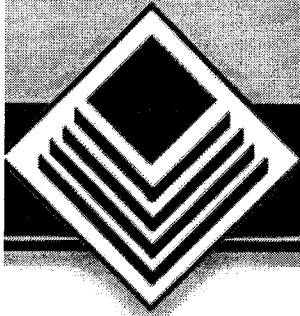
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Page 5

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Investment Strategy

Sector Focus

- Healthcare Services/IT
- Business Services
- Education
- Industrial Technology

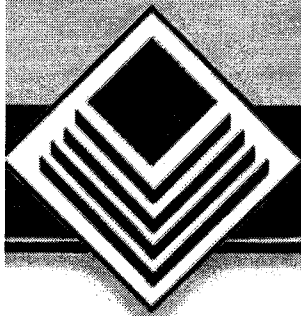
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Page 6

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Investment Strategy

Investment Control

- Lead investor – set terms
- Greater return for our efforts
- More efficient
- \$8 - \$12 million initial investments

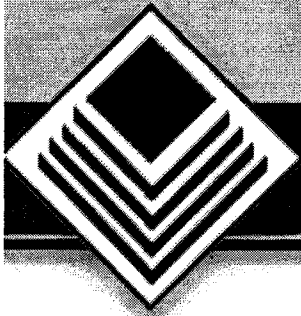
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Page 7

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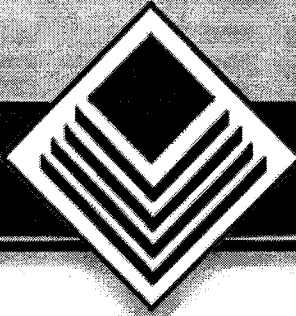
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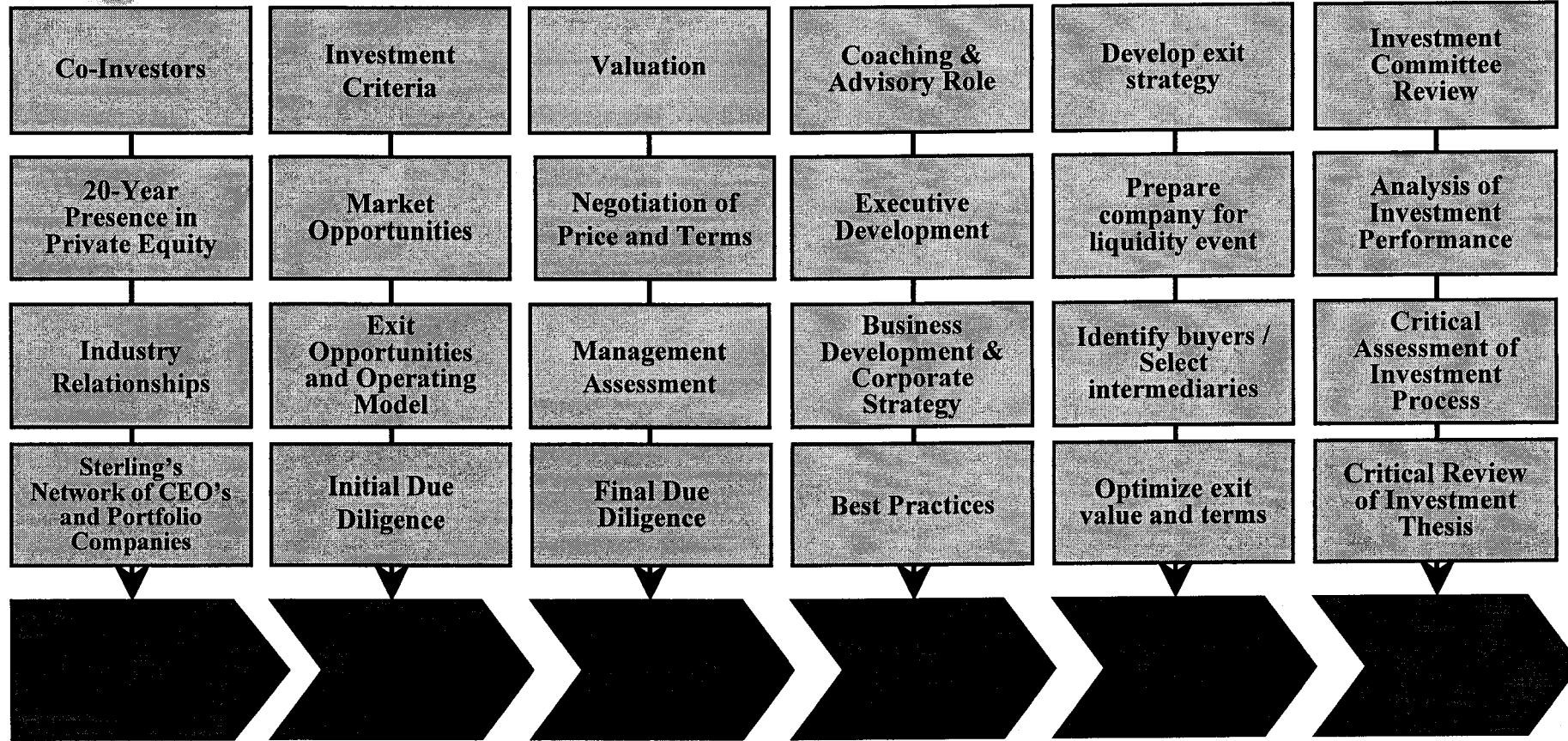
Investment Strategy

Disciplined Investment Process

- Proprietary deal sourcing
- Due diligence
- Management assessment
- BVA
- Maximize exit



Disciplined Investment Process



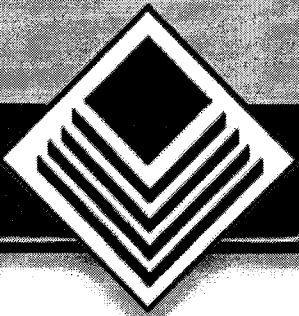
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Page 9

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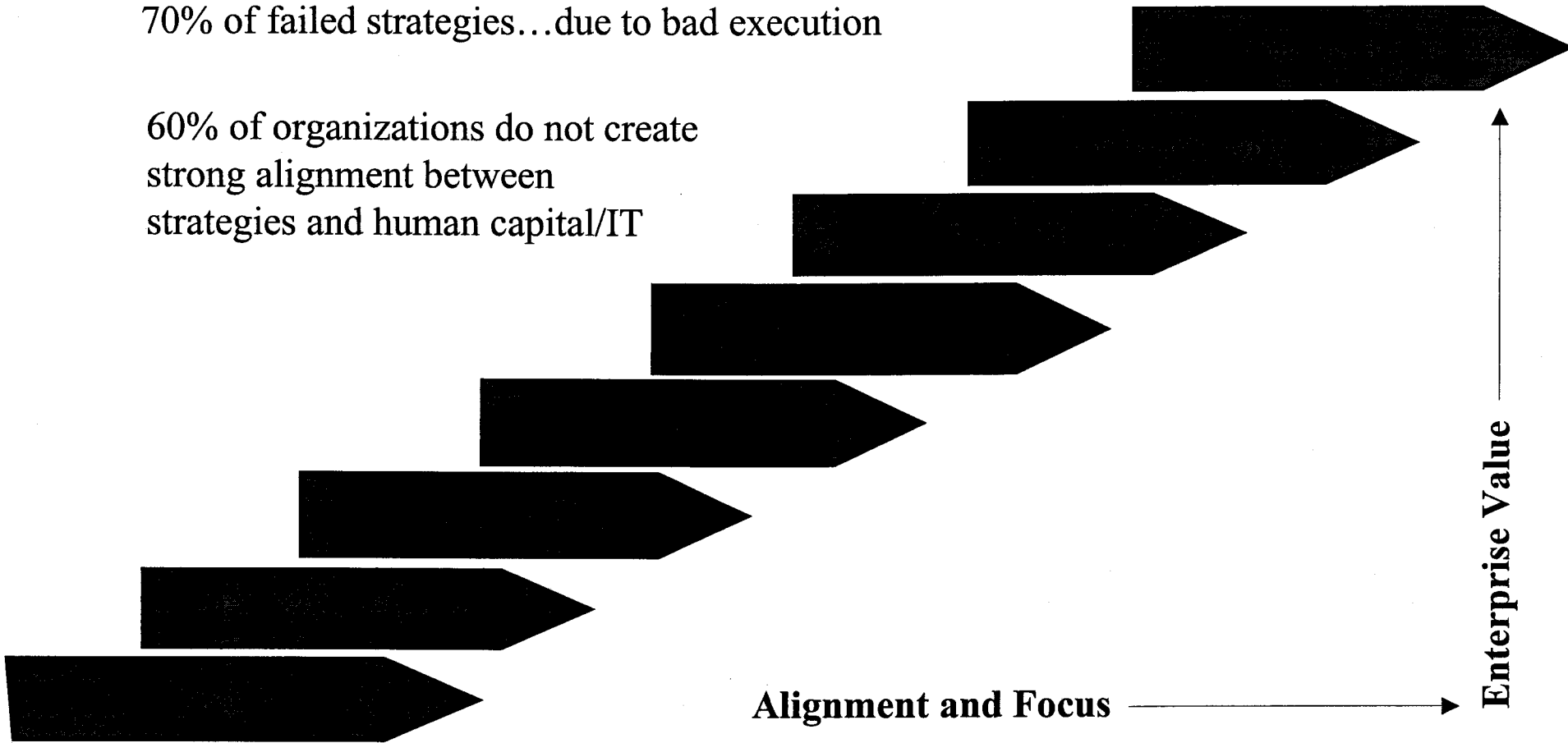


BVA: Our Competitive Advantage

Leadership and Accountability

70% of failed strategies...due to bad execution

60% of organizations do not create strong alignment between strategies and human capital/IT

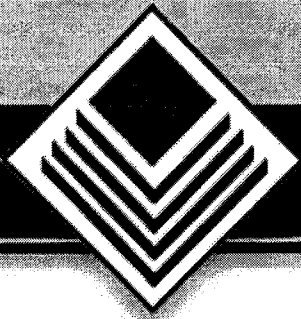


SVP02154

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Page 10

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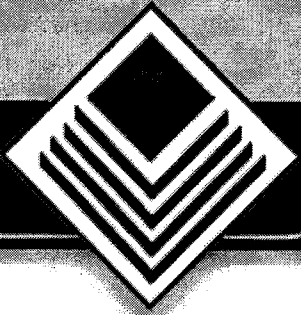
Maximizing Human Capital

Superior CEO's = Better investment outcomes

- Attracting and assessing executive talent
- Proprietary management assessment process

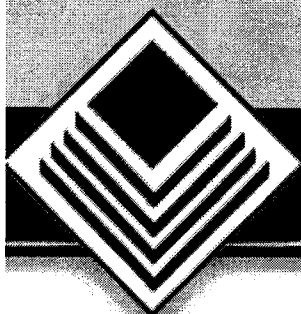


- Individualized executive development
- Optimizing organizational structure, training in the process
- Best practices: Topgrading the team
- Virtual bench and validated network of recruiters



Sterling Venture Partners I

- Strong portfolio: excellent results
- 2000 vintage - \$100M targeted, \$135M committed
- GP commitment - \$15M
- Healthcare Services/IT, Business Services, Education, Industrial Technology
- 7 partial or full liquidations
- 2 successful exits in 2003
- 10 active portfolio companies
- 9 cash flow positive in 2004



Proven Performance

	2004 Cash Flow +	02-03 Rev Growth	Board Seat	Lead Investor	Human Capital	BVA
Argent Trading	√	57%	√	√	√	√
Artromick International	√	12%	√	√	√	√
Centerre Healthcare		NA	√	√	√	√
Chauncey Group	√	NA	√	√	√	√
Cognitive Concepts	√	66%	√	√	√	√
eCredit	√	7%	√	√	√	√
Ecovation (formerly AnAerobics)	√	101%	√	√	√	√
Knowledge Storm	√	69%	√	√	√	√
SterilMed	√	40%	√		√	√
VISICU	√	54%	√		√	√
Vocus	√	34%	√		√	√
Woodhaven Pharmacy	√	46%	√	√	√	√

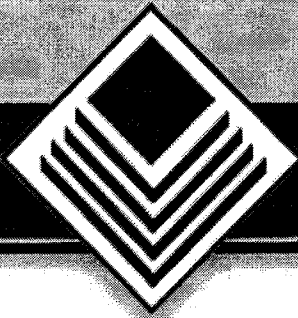
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Page 13

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Investment Opportunity

Fund Size:	\$200 million (\$300 million Cap)
Term of the Fund:	Ten years
GP Carry	20%
Distributions:	(a) Return of contributed capital (including fees); (b) 80/20 split
Management Fee:	2.25%
Primary Focus:	Expansion and Growth
Typical Investment:	\$8 million to \$12 million
Geographic Focus:	North America
GP Commitment:	2 - 4%
LP Representation:	LP Advisory Committee
Legal Counsel to the General Partner:	Testa Hurwitz & Thibault
Fund Auditor	Ernst & Young

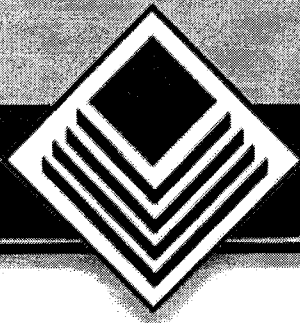
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Page 14

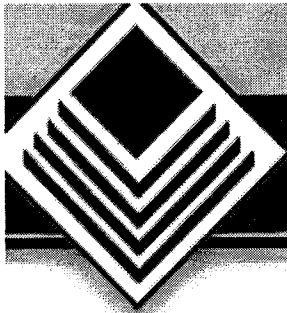
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Why Sterling Venture Partners?

- Outstanding returns
- Proven team
- Unique strategy - We build businesses
 - Operating experience
 - BVA / Human capital
 - Industry expertise
- Defined process...Predictable results
- Timing
- Existing investors



Team Biographies

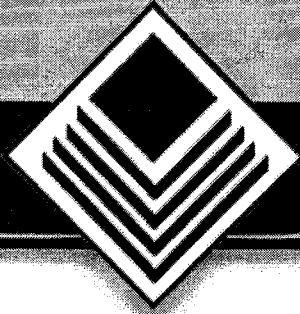
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Page 16

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A Proven Team

Eric D. Becker – Managing Partner

- Co-founder of Sterling Venture Partners
- Co-founder of Sterling Partners
- 20-year track record building, operating and investing in private companies
- Substantial CEO experience. Proven ability for realizing value
- Past Chairman Young President Organization, Past Co-Chairman Mid-Atlantic Venture Association's Capital Connection Program

Michael G. Bronfein – Managing Partner

- Co-founder of Sterling Venture Partners
- Founder and CEO of NeighborCare. Built from single store to integrated service provider with \$1 billion revenue/\$120 million EBITDA. Sold to NYSE company in 1996
- Significant expertise in managing rapid growth and developing executive teams
- Led Commercial Finance Lending at Signet Bank (Wachovia)
- 1994 Ernst & Young's Entrepreneur of the Year Award for NeighborCare
- Healthcare Advisory Board: Johns Hopkins University Bloomberg School of Public Health
- Certified Public Accountant (non-practicing)

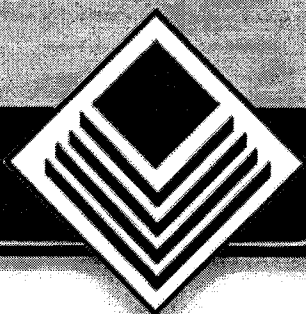
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Page 17

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A Proven Team

Daniel W. Rosenberg - Partner

- Co-founder of Sterling Venture Partners
- 15-years experience structuring transactions
- Healthcare investment banker with Vector Securities International
- Founder and Executive Committee member Illinois Venture Capital Association, Charter Member Mid-America Healthcare Investors' Network
- MBA, Kellogg Graduate School of Business at Northwestern University
- BA, Duke University

Stephen A. Thompson – Principal – HR Executive

- Joined Sterling in 2000 as Human Resource Executive
- HR specialist with over 25-years business & human resource experience
- Senior Vice President of Human Resources for NeighborCare
- Developed proprietary Human Capital Assessment process for Sterling
- Extensive experience implementing best practices and strategies for growth
- MS in Human Resources Management, Columbia Southern University

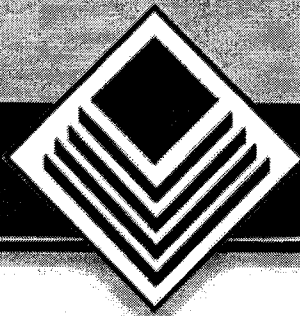
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Page 18

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A Proven Team

Jeffrey B. Moss – Vice President

- Former Associate at Summit Partners – a \$5.5 billion private equity firm
- Investment Banker at Donaldson, Lufkin & Jenrette
- MBA, The Wharton School at the University of Pennsylvania
- BS, Indiana University

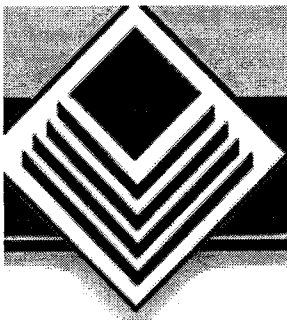
George E. Watson – Vice President

- Member of Healthcare Group at GE Equity
- Investment Banker in Merrill Lynch's Mergers and Acquisitions Group, and NationsBanc Montgomery Securities' Healthcare Group
- MBA, Kellogg Graduate School of Business at Northwestern University
- BA, Duke University

Paul Jan – Senior Associate

- Joined Sterling in February 2002 from ABN AMRO Private Equity
- Former investment banker with Lehman Brothers; experience includes \$1.8B of completed M&A and \$1.1B of equity issuance.
- Washington University in St. Louis, AB with Honors in Biochemistry and Finance

SVPO2163



SVP I Portfolio Overview

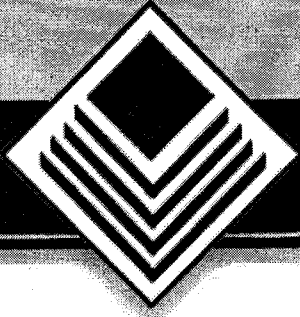
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Page 20

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Active Portfolio Companies

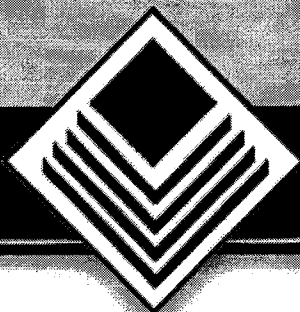


smart systems, saving lives

- Pioneering clinical software for ICU
- \$28M in backlog as of January 1, 2004
- Strong cash flow model / cash flow positive
- Source: SVP LP



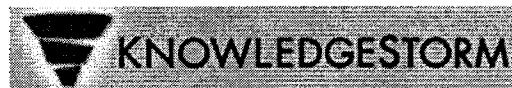
- Market leader on-demand corporate communications software
- 19 consecutive quarters strong revenue growth
- Subscription revenue model / cash flow positive
- Source: In-house research



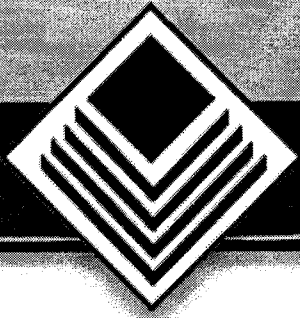
Active Portfolio Companies



- Barter trade company
- Restores value to impaired assets
- 2003 \$11.9M revenues; cash flow positive
- Source: In-house research



- Web-based directory service for IT products
- More than 1.5M visits per month
- 2003 bookings \$7M, 300% over 2002
- Source: Co-Investor



Active Portfolio Companies



- Patented, innovative waste water treatment process
- Outsourced business model with long term contracts
- 2003 \$3M revenues, 101% growth from 2002 / Coke, Kraft and Unilever
- Source: Co-Investor Network



CENTERRE HEALTHCARE

Building Rehab Hospital Partnerships

- Operates rehabilitation hospitals in partnership with acute care hospitals
- Founders are repeat, successful healthcare entrepreneurs
- Two signed contracts, strong pipeline
- Source: Co-Investor Network

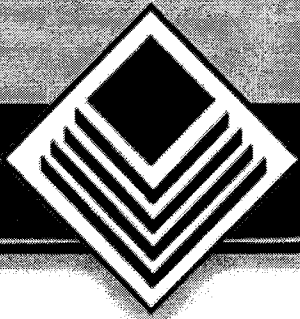
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Page 23

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Active Portfolio Companies

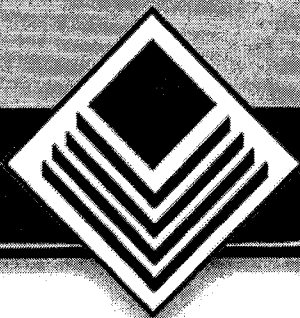
STERILMED, INC.

Setting the Gold Standard in Medical Device Reprocessing

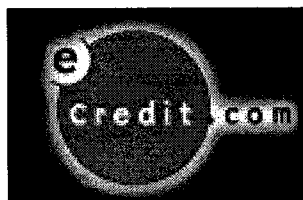
- Leading third-party reprocessor of medical devices
- Dominating new business landscape
- 2003 \$15M revenues, 40% growth from 2002 / cash flow positive
- Source: Co-Investor

ARTROMICK INTERNATIONAL

- Leading manufacturer of medication carts with 65% market share
- Innovative product/acquisition pipeline
- 2003 \$36M revenues, \$10M EBITDA
- Source: Industry relationship



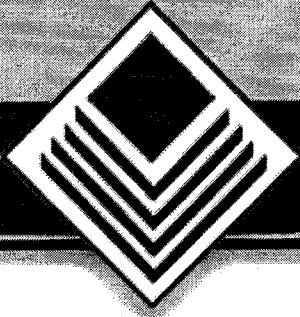
Active Portfolio Companies



- On-demand software for credit management
- Significant new customer wins
- 2003 \$6M revenues / strong pipeline
- Source: In-house research



- Pharmaceutical services to long term care and home care
- Transformational business model
- \$32M revenues, 46% growth over 2002 / cash flow positive
- Source: Industry relationship

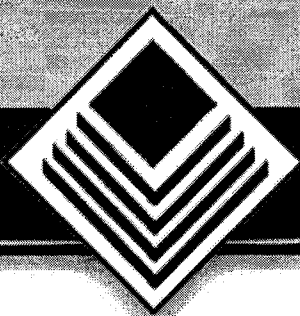


Cognitive Concepts



- Early Childhood Literacy Software and Supplementary Materials
- Date of Investment: 12/01/00
- Date of Sale: 10/14/03
- SVP Investment: \$4.1 million
- SVP Proceeds: \$7.4 million
- Multiple of investment: 1.8x
- IRR: 23%
- Buyer: Houghton Mifflin

SVP02170



Chauncey Group Int'l



- Develops and delivers certification and licensing exams, and distance-learning
- Date of Investment: 03/12/03
- Date of Sale: 11/03/03
- SVP Investment: \$2.7 million
- SVP Proceeds: \$7.4 million
- Multiple of investment: 2.7x
- IRR: 284%
- Buyer: Subsidiary of ETS

SVP02171

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Page 27

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