

Hospital Systems Integration Software & Services

- **Company Focused on Two High Value Industry Solutions – Hospital Systems Integration Server and Physician Portal to Patient Records**
- **Principals have Decades of Expertise in Health Care Integration Solutions**
- **Cost Effective Integration Engine built on “Open Source Technologies”**
- **Protect Hospital Investments in Best of Breed by Integrating Disparate Legacy Systems**
- **Physician Portal Interface to Integration Engine for Browser Based Access to Patient Records**
- **Several Prestigious Installed Accounts**
- **\$850 K Contractually Recurring Revenues**



MidMarketCapital, Inc.

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This five-year-old company focuses on a niche that is receiving renewed attention and investment – improvement of the healthcare system through information technology solutions. Their Integration Server provides a seamless link between best-of-breed admitting, radiology, pharmacology, physical therapy, and other departmental systems. The ability to enter data one time and update multiple systems greatly improves efficiency while dramatically reducing errors. The Company built on that strength by adding a Physician Portal with connectivity to that Interface Engine. This provides physicians and caregivers Internet access to a broad spectrum of patient information. These systems provide the latest access to information capabilities to hospitals with large investments in legacy systems. The Company is currently integrating with virtually every major commercially available Hospital Information System.

We are exclusively representing this Company to your firm as part of an offering to a select group of qualified investors. MMC specializes in mergers, acquisitions, financing and divestitures of privately held middle market information technology businesses. No reproduction, in whole or part of this Confidential Acquisition/Investment Profile may be made without prior written permission of MMC.

Client No. 050107
Market Opportunity

Healthcare spending comprises 16% of America's GDP. That spending is increasing more rapidly than any other segment of our economy. One of the industry's key initiatives is to improve the efficiency of the system through the application of information technology. The Company's products and services are focused on this very important trend. The growth potential has surpassed the sales capabilities and resources of this technology focused solutions provider. The strength of their technology has not been reflected with a corresponding level of market penetration because of their size and lack of a consistent long-term sales effort. A majority of their new sales are a result of word of mouth referrals.

The Company has recognized the difficulty of selling even the best and most cost effective solution as a small company to major clients in today's risk adverse environment. They also recognize the limited window of opportunity that a superior technology may enjoy without significant market penetration. The Owners have engaged Mid Market Capital to locate a Strategic Buyer that can leverage their market presence, sales and distribution excellence, installed base, and companion products to achieve the market success that this technology should produce.

Growth Plan

The Strategic Acquirer can immediately realize benefits from this addition. Their focus on key areas of growth in healthcare spending – improvement in efficiency, reduction in redundancy of patient data entry, reduction in informational errors, improvements in legacy system integration, protection of investments in legacy systems, and browser based access to multi-department patient data. A strategic acquirer could employ this product to support the sale of their healthcare software requiring integration with other systems by offering a more open combined solution. The integration solution and Web information delivery solution could be used as door openers for new accounts in a very competitive sales environment. The Company enters 2005 with contractually recurring revenue of \$850,000 and has already booked \$100K of new sales. The Company's results will immediately be improved with a sales and marketing effort that is more substantial than their current referral based approach. Their technology is successfully integrated with the bulk of the industry leading hospital systems so any improved sales efforts should be quickly reflected on both the top and bottom lines.

FINANCIAL SUMMARY

Income Statement					
For Fiscal Years ending Dec 31 (000's)					
	<u>2003</u>	<u>2004</u>	Projections with New Strategic Industry Owner		
			<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
SALES	1,665	1,285*	2,400	6,100	7,400
EBITDA (1)	280	225*	480	1,200	1,800
(1) EBITDA: Standard recast Earnings before interest, taxes, depreciation, & amortization * Estimated – final numbers for year end in process					
Balance Sheet (Market Value)					
Dec 31, 2004 (000's)					
Current Assets	125	Current Liabilities	15		
*Long Term Assets	15	Long Term Liabilities	0		
**Software Assets	1,400	Stockholders Equity	1,525		
Total Assets	1,540	Total	1,540		
*Equipment, Facilities at Fair Market Value			**Development Costs for Latest Versions of Software		

Client No. 050107



MidMarketCapital, Inc.

STANDARD CONFIDENTIALITY AGREEMENT AND BUYER QUESTIONNAIRE

This Confidentiality Agreement will confirm our mutual understanding in connection with Mid Market Capital (MMC) providing, and your receipt of, Information regarding the number-designed Company listed below as ("The Company").

Information means all oral or written data, reports, records or materials ("Information") obtained from MMC or The Company, including the name, address and type of business of The Company, the knowledge that The Company may be considering a sale, or even the fact that information has been provided. Information shall not include, and all obligations as to non-disclosure by the undersigned shall cease to any part of, such information to the extent that such information (i) is or becomes public other than as a result of acts by the undersigned; (ii) can be shown was already known to the undersigned at the time of its disclosure hereunder; (iii) is independently obtained by the undersigned from a third party having no duty of confidentiality to The Company; (iv) is independently developed by the undersigned without use of any Information supplied hereunder; or (v) is obligated to be disclosed pursuant to applicable law, regulation or legal process.

Information is being furnished solely in connection with your consideration of the acquisition of The Company and shall be treated as "secret" and "confidential" and no portion of it shall be disclosed to others, except to those of your employees and agents whose knowledge of the Information is required for you to evaluate The Company as a potential acquisition and who shall assume the same obligations as under this Agreement. The undersigned hereby assumes full responsibility for the compliance of such employees or agents to the terms of this Agreement.

The undersigned further agrees that it will not interfere with any business of The Company through the use of any Information or knowledge acquired under this Agreement nor use any such Information for its own account.

It is understood that The Company is the intended party and beneficiary whose rights are being protected and may enforce the terms of this Agreement as if it were a party to this Agreement.

All Information shall be promptly returned or destroyed, as directed by us or The Company.

It is understood that (a) no representation or warranties are being made as to the completeness or accuracy of any Information and (b) any and all representations and warranties shall be made solely by The Company in a signed acquisition agreement or purchase contract and then be subject to the provisions thereof.

The undersigned acknowledges the responsibility to perform a due diligence review at its own cost and expense prior to any acquisition.

The respective obligations of the parties under this Agreement shall survive for a period of two years following the date hereof.

Name of Individual: _____ Title: _____
(Please Print) (Please Print)

Organization: _____ Address: _____

Email Address: _____

_____|_____|_____
(City) (State) (Zip)

Telephone: _____ Fax: _____ Date: _____

Signature: _____
(Authorized Representative)