

New Private Equity Firm to Challenge Traditional Models of Delivering Health Care

Health Evolution Partners Launches \$700 Million Effort; CalPERS Health Investment Initiative Inaugural Investor

SACRAMENTO, Calif., June 5, 2007 – Health Evolution Partners will today launch a private equity fund that will invest up to \$700 million in solutions that advance the quality, efficiency and consumer orientation of health care. The fund officially launches at a press conference today at 9:00 a.m. at CalPERS headquarters in Sacramento, which will include comments from Health Evolution Partners Chairman David J. Brailer, M.D., Ph.D. and officials from inaugural investor CalPERS (California Public Employees' Retirement System).

Health Evolution Partners is dedicated to realizing value in health care, and launches at a time when the health care industry has entered a period of rapid change. As an investor and strategic advisor, Health Evolution Partners will support promising health care ventures that challenge traditional models of delivering clinical services, including the way they are organized, financed and oriented toward patients. Among its targets will be companies working in disease management, chronic care improvement and pharmaceutical management, as well as telemedicine, remote and in-home patient monitoring and predictive genomics. The firm's goal is to commercialize those innovations that enable a shift to information-rich, defect-free and cost-effective health services.

Dr. Brailer, who is founder and chairman of Health Evolution Partners, served as the nation's first National Coordinator of Health Information Technology in President George W. Bush's administration. A physician, technology innovator, health policy expert and entrepreneur, Dr. Brailer has sought a higher quality, more efficient health care system throughout his career.

"Health Evolution Partners will accelerate inevitable change that is underway in health care. We are focused on the companies and ideas that will redefine quality, efficiency and accountability of health care services," said Dr. Brailer. "We will build a team of leading health care investors and entrepreneurs who want to see real and positive change. Our investments will have a beneficial impact on the health care system and will be seen as benchmarks for financial performance for health care companies in the future."

CalPERS will commit \$500 million to the Health Evolution Partners Fund for direct investments, health care-focused private equity investments and strategic joint ventures, as well as up to \$200 million for investments in other health care initiatives.

"There are significant investment opportunities in the development of better technology and services in health benefits, which is the fastest-growing industry in the world's largest economy," said CalPERS CEO Fred Buenrostro. "Health Evolution Partners is an important milestone in the advancement of health care solutions, particularly with Dr. Brailer at the helm."



About Health Evolution Partners

Founded in 2007, Health Evolution Partners is a private equity firm dedicated to realizing value in health care. Health Evolution Partners focuses on services and solutions that challenge traditional models in order to improve the way health care is delivered, organized and financed. Based on deep insight, a strong network of partners and substantial financial resources, the mission of Health Evolution Partners is to identify and foster innovative ventures so the best ideas can become the biggest solutions in the health care industry.

To learn more about Health Evolution Partners, please go to www.healthevolutionpartners.com

About CalPERS

The California Public Employees' Retirement System manages pension and health benefits for approximately 1.5 million California public employees, retirees, and their families. CalPERS owns approximately \$240 billion worth of stock, bonds, funds, private equity, and real estate. It is the largest pension fund in the U.S.

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