



Riverside

FOR IMMEDIATE RELEASE

Contact:

Graham P. Hearn

Director of Communications

The Riverside Company

216.535.2221

ghearns@riversidecompany.com

RIVERSIDE IS PICTURE OF HEALTHCARE WITH ITS 28th INDUSTRY ACQUISITION
Micro-Cap Fund Adds Software Solutions Provider to Portfolio

(September 2, 2008) – The Riverside Company’s Micro-Cap Fund, focused on companies with \$5 million or less in EBITDA, continues to exhibit the strong vital signs of good health with the acquisition of HEALTHCAREfirst, Inc. (“HCF”). HCF is the third addition to the Riverside Micro-Cap Fund (“RMCF”) in the last two months and is the 28th healthcare investment in Riverside’s history.

HCF offers hosted software solutions to small businesses in the Medicare-reimbursed home health agency and hospice markets in 35 states. The company operates in a favorable industry, showing strong historic financial performance and untapped growth potential.

Founded in 1992, HCF has grown from offering one software solution for its customers into a company that offers an entire suite of complementary products and services, all directly accessible online on a 24 hour/seven day a week basis. The range of products and services are designed to allow home health agencies and hospices to manage the clinical and operational aspects of their businesses. The core products increase productivity and improve cash flow by:

- maximizing reimbursements,
- eliminating paperwork,
- providing enhanced electronic tools to manage patients, personnel and payers,
- simplifying the billing process, and
- eliminating errors.

“The Riverside team quickly recognized the growth potential at HEALTHCAREfirst,” said Loren Schlachet, Riverside Managing Partner. “In addition to the significant industry growth trend, we see great potential in marketing the complementary product extensions for the software. Riverside’s extensive experience in healthcare will assist the HCF management team to sell more deeply into existing customers and broaden its customer base. We also plan to find complementary add-on opportunities that improve HCF’s ability to serve customers.”

“Riverside will help us increase efficiencies in much the same way that we help our customers,” said HCF CEO Bobby Robertson. “We have differentiated ourselves by offering an integrated bundle of products and services, giving our customers the freedom to focus on patient care instead of paperwork. Similarly, Riverside offers us a broad range of business and industry expertise that will enable us to operate efficiently and focus on the aspects of our business that will result in growth.”

Working with Schlachet from Riverside were Jack Nestor, Vice President; Dan Haynes, Analyst; and Jeff Goodman, Operating Partner. The acquisition was sourced by Jim Butterfield, Principal in Riverside’s

www.riversidecompany.com

Riverside Acquires Healthcare Software Solutions Provider

Origination Team and White Oak Partners, a buy-side firm with whom Riverside has enjoyed a long-standing relationship.

The Riverside Company (www.riversidecompany.com or www.riversideeurope.com)

The Riverside Company is the largest global private equity firm focused on the smaller end of the middle market (“SEMM”) and is one of the industry’s most experienced leveraged buyout investors. Riverside specializes in investing in premier SEMM companies (those valued up to \$200 million) and partners with strong management teams to build companies through acquisitions and value-added growth. Since 1988, the firm has invested in 197 transactions with a total enterprise value of \$4.4 billion. Its current portfolio in North America, Europe and Asia numbers 66, with combined annual sales of \$3.2 billion, EBITDA of \$517 million and more than 14,000 employees. Riverside offers the resources to complete acquisitions smoothly and in as little as 45 days - thanks to its sizeable pool of capital under management (more than \$2 billion in nine funds), over 180 professionals in 17 offices (Amsterdam, Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Los Angeles, Madrid, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw), and long-standing relationships with partner lenders. Six of nine of the firm’s mature vintages are currently top quartile, and the firm’s investors include the world’s leading pension funds, endowments, funds-of-funds, insurance companies and banks.

HEALTHCAREfirst, Inc. (www.healthcarefirst.com)

HEALTHCAREfirst has been providing software and services exclusively to the home care and hospice industries since 1992. The company is dedicated to providing cutting edge technologies that improve business functions to home care and hospice agencies across the United States. HEALTHCAREfirst was one of the first home care software vendors to recognize the industry's need for high quality software applications that are accessible over the worldwide web.

###