

Contact:

Sandy Cummings
ARiA Marketing, Inc., for Radianse
(617) 332-9999, x210
scummings@ariamarketing.com



Radianse Receives \$6 Million in Series B Financing

Pioneer in healthcare indoor positioning solutions (IPS) set to launch new application to improve patient flow and resource management

Lawrence, Mass., July 13, 2006 — Radianse, a leading provider of real-time indoor positioning solutions (IPS) in healthcare, has completed a \$6 million Series B financing round. National Healthcare Services (NHS) led the round, joining returning investors HLM Venture Partners, Partech International, Ascension Health Ventures, Kaiser Permanente National Venture Development and Partners Healthcare in Radianse's circle of strategic advisors.

Radianse will use the funding to meet two primary objectives. First, the company will seek to further expand market share for its existing IPS, which uses active RFID technology to help hospitals immediately locate equipment, patients and staff. Second, the company will launch a new application that will enable hospitals to act on this information with a greater degree of automation and accuracy. The result is dramatically improved patient flow and resource management.

"The insights we value most come from those who need the applications we develop," said Mark Sakaniwa, chief executive officer of Radianse. "NHS, the investment arm of MemorialCare Health System, is widely recognized for its leadership in healthcare and will bring a valuable perspective to our company as RFID continues to take hold in the industry and prove its value."

Radianse leads in installations, proven payback

Radianse systems have been deployed in hospitals for a variety of purposes, including asset tracking, process mapping and workflow improvement. Measured by hospital usage and return on investment, Radianse has established clear leadership in the real-time IPS market, particularly in terms of enterprise-wide deployments. Currently, Radianse has more than 12,000 person- and equipment-ID-tags in use. By year's end, Radianse will have more than 40,000 ID-tags shipped to customers.

"We are very impressed by the approach Radianse has taken in blending software applications with top-tier active-RFID technology," said Gary Vatcher, president of NHS. "In addition to the many multi-departmental implementations already in place, Radianse will have five to six hospital-wide installations by the end of the year. We see some pilots and point projects here and there from other companies in the industry, but to our knowledge, no other company with a similar technology is even close to that level of market adoption."

"Demand for Radianse products has skyrocketed over the last six months, fueled by the company's performance track record and proven ROI model," said Sakaniwa. "With ROI achieved in just a 12- to 14-month range, hospitals now feel comfortable committing to house-wide installations with Radianse and are achieving impressive results."

A context-sensitive perspective

The imminent launch of a new Radianse application will further the company's vision for context-sensitive medicine. On a single display, clinicians will be able to view where patients are now, when and

where they will be moving, and when and where resources and services such as equipment, beds and laboratory reports are available to support their care. The application will incorporate the Radianse rules-based engine that provides valuable alerts based on analysis of how clinicians, patients and medical equipment move and interact to change the context of care.

About National Healthcare Services

NHS (www.NationalHealthcareServices.com) is wholly owned by MemorialCare Health System. NHS began operations as an independent company on July 1, 1993. In essence, it is NHS' goal to assist MemorialCare's hospitals and physicians stimulate innovation and improve their operating and clinical performance by investing in privately held emerging companies who want to develop a strategic relationship with MemorialCare.

NHS typically looks at early to mid-stage companies that focus on biotechnology (exclusive of pharmaceuticals), medical devices, healthcare information technology, and healthcare services. These companies need to have a proven and experienced management team and revenue potential of greater than \$50 million a year within a relatively short period of time. Most importantly, a company's strategic relationship and involvement with MemorialCare is more valued than simply the company's investment opportunity for NHS.

About MemorialCare Health System

The MemorialCare Health System (www.MemorialCare.org) includes Anaheim Memorial Medical Center, Long Beach Memorial Medical Center (including Memorial Women's, Memorial Rehabilitation Hospital, Memorial Heart Institute and The Todd Cancer Institute), Miller Children's Hospital in Long Beach, Orange Coast Memorial Medical Center in Fountain Valley and Saddleback Memorial Medical Center in Laguna Hills and San Clemente. These medical centers encompass over 1,500 beds and have a medical staff of more than 3,135 physicians. In 2005 there were approximately 112,400 adjusted discharges, 25,900 inpatient surgeries, and 192,000 emergency room visits.

MemorialCare has gained widespread recognition for its unique approach to health care. The organization has been identified as one of the top integrated systems in America (Verispan Top 100), a leading hospital organization for technology (Most Wired Hospitals) and one of the best governed hospital systems in the U.S. (The Governance Institute).

About Radianse

Radianse, Inc., provides hospitals with location-enabled workflow solutions that improve patient flow and resource management. The company's indoor positioning solution (IPS) uses active-RFID tags, LAN-ready receivers and Web-based location analysis software to locate medical equipment, patients and staff. Additional software applications extend this integrated view to include beds, ADT, orders, labs and medical equipment, helping hospitals reduce costs, improve efficiencies and safety, and increase satisfaction and revenues. For more information, please visit www.radianse.com.

Information on the other firms and hospital groups investing in Radianse can be found at www.radianse.com/investors.html.

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