



For Immediate Release

PATHCENTRAL SECURES \$10 MILLION SERIES B INVESTMENT

IRVINE, Calif., November 1, 2010 – PathCentral, an Irvine, California-based anatomic pathology services company, announced today it has raised \$10 million in Series B financing. The proceeds will be used to support the company's growth initiatives, continue to enhance its web-based laboratory information system (LIS), deploy a field sales force, and build out its esoteric cancer diagnostics laboratory. Okapi Venture Capital, Arboretum Ventures, and Baird Venture Partners co-led the round.

PathCentral offers the first fully integrated, web-based enterprise software platform designed specifically for community pathologists. PathCentral was created by a team of pathologists and industry executives who saw the challenges faced by community pathologists, including growing regulation, rising costs, declining reimbursement and increasing competition. PathCentral enables community pathologists to enhance their competitive position within their local market by providing a wide range of connectivity solutions to address even the most demanding customers.

"We are excited to partner with this group of investors to maximize our company's potential," said Matt Watson, CEO of PathCentral. "We believe our integrated software and services platform constitutes a significant upgrade to the tools currently in use, and allows us to truly partner with community pathologists to increase revenues and reduce operating costs. This investment will allow us to continue to invest in supporting these customers."

The PathCentral solution integrates all aspects of a pathology practice's business, including ordering (accessioning), barcode-based laboratory workflow management and specimen tracking, transcription, test send-outs, professional consultations, diagnosis, reporting, billing and financial analysis. Community pathologists spend approximately \$4.4 billion on these functions annually.

"PathCentral is well positioned to take advantage of the changing healthcare landscape for community pathologists," said Sharon Stevenson, DVM PhD, Co-Founder and Managing Director of Okapi Venture Capital. "We are excited to work with the excellent management team and to facilitate the company's progress through this successful financing syndicate."

As part of the transaction, Stevenson will join the PathCentral board of directors, along with Tim Petersen, Managing Director of Arboretum Ventures, and Michael Liang, PhD, Partner of Baird Venture Partners.

About PathCentral

Based in Irvine, Calif., PathCentral is the first and only company to provide all the tools required by community pathology practices to increase revenues, improve operating efficiencies, and ensure patient safety, in a single integrated and affordable platform. For a monthly subscription fee, pathologists have unlimited access to a state-of-the-art enterprise pathology business system, as well as 24/7/365 service & support, system maintenance, and software version upgrades that allow them to perform all the tasks of their daily workflow without ever leaving their computer screen. PathCentral also offers full service esoteric diagnostic testing services at its CLIA-certified laboratory in Irvine, provides seamless on-line access to world renowned sub-specialty experts for cases that require professional consultation, and offers fully integrated medical billing services for its software customers. For more information, please visit <http://pathcentral.net>.

About Okapi Venture Capital

Okapi Venture Capital invests in seed and early stage life sciences and information technology opportunities in Southern California. Firm managing directors take pride in partnering with exceptionally talented entrepreneurs and operational executives to develop their emerging businesses. For more information, visit www.okapivc.com.

About Arboretum Ventures

Arboretum Ventures is an early-stage venture capital firm specializing in the healthcare sector. More than simply a financial resource, Arboretum is a collaborative, value-added investor actively engaging our companies in strategy, operations, recruiting, fundraising, and exit planning. Arboretum aims to transform young companies into mature and thriving businesses that improve patient outcomes and lower the cost of care, thereby generating superior returns for the entrepreneurs and our investors. Founded in 2002 and headquartered in Ann Arbor, Michigan, Arboretum currently manages approximately \$97 million in capital. For more information, please visit www.arboretumvc.com

About Baird Venture Partners

Baird Venture Partners, the U.S.-based venture capital fund of Baird Private Equity, makes venture capital investments in early and expansion stage business services and life sciences companies. Baird Venture Partners leverages its in-depth sector knowledge, experienced investment team and network of relationships to serve as a value-added partner for its portfolio companies. For more information, please visit www.bairdventurepartners.com.

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