



March 26, 2007

ASCEND HEALTH RAISES \$20.1 MILLION SERIES B FINANCING

New funds to accelerate development of de novo psychiatric hospitals in markets with significant psychiatric bed need

New York, NY, March 26, 2007. Ascend Health Corporation, an operator of mental health and chemical dependency hospitals and residential treatment centers, today announced the closing of a \$20.1 million Series B financing. The Company intends to use the proceeds to fund the development of new psychiatric hospitals. New investor Polaris Venture Partners led the round and was joined by existing investors CHL Medical Partners, Three Arch Partners and individual investors. In connection with the closing, Brian Chee, General Partner at Polaris Venture Partners, will join Ascend Health's board of directors.

"Ascend is well positioned to respond to markets with significant needs for additional psychiatric treatment facilities," stated Mr. Chee. "Dr. Kresch and his management team have shown an ability to identify markets with unmet demand and to respond to that demand with facilities that provide not only general adult and adolescent psychiatric services, but programs that match the particular needs of the community."

"As a seed and now repeat investor in Ascend, we are most pleased and impressed with the Company's accomplishments to date, including opening its first start-up hospital and achieving profitability for its first full year," said Jeff Collinson, Managing Partner of CHL Medical Partners. Mark Wan, a Founding Partner of Three Arch Partners, added, "We expect the early successes will continue and are looking forward to the opening of the three new facilities Richard and his team have identified."

"We're extremely excited about the addition of Polaris as a strategic partner," stated Richard Kresch, M.D., President and CEO. "This new capital will allow the Company to accelerate the rollout of our innovative business model and delivery of much needed psychiatric care to patients in underserved markets across the country."

About Ascend Health

Ascend Health Corporation is a provider of behavioral healthcare services in the United States offering inpatient care as well as a full range of outpatient services. The Company operates freestanding psychiatric facilities and provides a variety of behavioral healthcare services and programs to children, adolescents, and adults. For more information, see www.ascendhealth.net.

About Polaris Venture Partners

A national venture capital firm with over \$3 billion under management, Polaris identifies and invests in seed, early stage and growth equity businesses in the technology, life science, digital

media, enertech, and consumer sectors. Through a philosophy of lead investing and active, long-term partnering with early stage and growing revenue stage businesses, Polaris has helped a number of companies achieve outstanding success.

Among them are: Accordant Health Services, Acusphere, Advanced Inhalation Research (AIR), Akamai Technologies, Allaire Corporation, American Superconductor, Alnylam Pharmaceuticals, Aspect Medical Systems, Avici Systems, Centra Software, Classifieds2000, Cubist Pharmaceuticals, Cushcraft Corporation, deCODE genetics, Exchange.com, GlycoFi, Matrics, Momenta Pharmaceuticals, Paradigm Genetics, Powersoft, Solidworks, and TransForm Pharmaceuticals. For more information, see www.polarisventures.com.

About CHL Medical Partners

CHL Medical Partners is a venture capital firm exclusively dedicated to the healthcare industry and invests in start-up and early stage companies in the biotechnology, medical devices and healthcare services sectors. The firm has a long track record in healthcare with 76 direct investments. Prior start-up portfolio companies in healthcare services include American Renal Associates Inc. (acquired by Wachovia Capital Partners), Intensive Healthcare Corporation (acquired by Select Medical Corporation), Odyssey Healthcare, Inc. (NASDAQ: ODSY), and SemperCare, Inc. (acquired by Select Medical Corporation). The firm currently has \$320 million of capital under active management. For more information, see www.chlmedical.com.

About Three Arch Partners

Three Arch Partners was formed in 1993 to provide young companies with access to relevant clinical and business resources, as well as capital. Three Arch Partners has helped create, build, and fund more than 100 healthcare companies. The investment focus is on opportunities in medical devices and healthcare services, as well as biotechnology and information technology. The partnership manages over \$1 billion in capital. For more information, see www.threearchpartners.com.

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