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**HEALTHGRADES ACQUIRES WRONGDIAGNOSIS.COM; SIGNIFICANTLY  
ENHANCES WEB CONTENT AND ADDS OVER FIVE MILLION MONTHLY  
UNIQUE USERS**

- *All Cash Acquisition Expected to be Immediately Accretive* –
- *Conference Call at 10:00 am Eastern Time Today* –

**Golden, Colo. (October 14, 2008)** – Health Grades, Inc. (Nasdaq: HGRD), the leading healthcare ratings company, announces the acquisition of WrongDiagnosis.com, a highly trafficked health information and community Web site. According to comScore MediaMetrix’s September rankings, the combined HealthGrades’ sites will comprise the 9th largest ad-supported healthcare property, after considering the recent merger and acquisition activity among other health properties.

WrongDiagnosis.com was owned by Adviware Pty. Ltd., a privately held company based in Australia. HealthGrades acquired the WrongDiagnosis.com Web site, along with the company’s CureResearch.com Web site, certain intellectual property and other domains, for approximately \$6.2 million in cash. The owners of Adviware will receive additional consideration if they exceed certain page view and revenue targets. Certain principals of Adviware will provide consulting services to HealthGrades for up to two years. Adviware generates revenue of approximately \$2 million annually. HealthGrades management anticipates the acquisition will be immediately accretive to earnings.

“HealthGrades.com has long been the leading online destination for *active patients* – individuals in immediate need of researching and choosing doctors, hospitals and other healthcare providers. We are now enhancing our positioning to be a more comprehensive resource coach to active patients by augmenting our ratings and other quality information with condition-specific information and community forums that continue our mission to guide Americans to better healthcare,” said Kerry Hicks, CEO of HealthGrades.

“Through its WrongDiagnosis.com and CureResearch.com Web sites, Adviware has demonstrated an ability to present healthcare consumers with medical information that is easily interpreted, yet highly relevant. We are confident that this information will be valued by HealthGrades’ active patient user base and the combined web properties will provide a platform for enhanced growth and improved profitability. This acquisition will allow advertisers to target active patients specifically by condition or treatment area across a range of content, from healthcare ratings, to state-of-the-art health risk assessment tools,” Hicks added.

### **Conference Call**

HealthGrades will hold a conference call to discuss this acquisition today at 10:00 a.m. Eastern Time/8:00 a.m. Mountain Time. If you would like to participate, please call (866) 713-8565 at least ten minutes **prior to the start time of 10:00 am ET/8:00 am MT** and reference the following - Confirmation number: 23164077, Host Name: Allen Dodge, Company: HealthGrades. The telephone replay will be available one hour after the conclusion of the teleconference at (888) 286-8010 passcode 76766653 until November 13, 2008.

### **About HealthGrades**

Health Grades, Inc. (Nasdaq: HGRD) is the leading healthcare ratings organization, providing ratings and profiles of hospitals, nursing homes and physicians. Millions of patients and many of the nation's largest employers, health plans and hospitals rely on HealthGrades' independent ratings, advisory services and decision-support resources to make healthcare decisions based on the quality and cost of care. More information on the company can be found at <http://www.healthgrades.com>.

### **About Adviware Pty. Ltd.**

Adviware Pty. Ltd owned and operated two principal Web sites; WrongDiagnosis.com, which includes symptoms, diagnosis and treatment information including a database of statistics and cross-referenced medical information, tools and community forums covering more than 11,000 conditions and treatments, and attracting more than five million individual visitors each month and CureResearch.com, which provides free information on more than 2,000 diseases and conditions with articles on treatments and research options and attracting more than four hundred thousand individual visitors each month.

This press release contains forward-looking statements, including without limitation statements relating to the Company's expected unique users on the HealthGrades' Web properties, management's expectation that the acquisition will be immediately accretive and potential enhanced growth and improved profitability. Actual results may differ materially from those described in such forward-looking statements due to several factors, including without limitation, substantial reduction in unique users on the HealthGrades' web properties, drop in cost per thousand impression (CPM) rates if advertisers reduce online spending, unforeseen additional expenditures related to the acquisition and other factors described in the Company's filings with the Securities and Exchange Commission, especially the section entitled "Risk Factors" in its 2007 Annual Report on Form 10-K. The Company does not undertake to update its forward-looking statements.

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