



FOR IMMEDIATE RELEASE

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**SAFEGUARD SCIENTIFICS PARTNERS WITH FOUNDERS EQUITY IN \$20 MILLION
GROWTH FINANCING OF ADVANTEDGE HEALTHCARE SOLUTIONS**

WAYNE, PA, November 20, 2006 – Safeguard Scientifics, Inc. (NYSE:SFE), which builds value in high-growth, revenue-stage information technology and life sciences companies, announced today that the Company, together with Founders Equity Inc., a New York based private equity firm, will provide \$20 million in growth capital to Advantedge Healthcare Solutions (“AHS”), a New York based technology-enabled service provider that delivers medical billing services to physician groups. This capital, of which Safeguard is providing \$9 million, accelerates AHS’ organic growth and funds future acquisitions.

Founded in 1999, AHS represents the next generation of medical billing, operating both as a business process outsourcer (“BPO”) and an applications services provider (“ASP”). AHS employs proprietary, web-based technology and continuous business process improvement methods to increase the operating efficiencies of medical billing and to improve results for its physician customers.

“The outsourced medical claims billing market is estimated to be approximately \$4 billion in revenues and growing. However, despite its size, the market is extremely fragmented, allowing for numerous consolidation opportunities,” said John A. Loftus, executive vice president and managing director of the Information Technology Group at Safeguard. “AHS’ proprietary software, coupled with its management team’s extensive experience in the healthcare, software and medical claims billing markets, lays the foundation for AHS’ continued growth and acquisitions.”

“We welcome AHS as a Safeguard partner company and look forward to providing them with guidance and resources to grow their business,” stated Peter J. Boni, Safeguard’s president and chief executive officer. “AHS is the second healthcare IT company with whom we have partnered with this year. We are actively targeting healthcare IT as an extraordinary area of growth. This transaction reflects our continued commitment to partner with innovative, revenue-stage companies seeking the capital and strategic guidance that Safeguard provides.”

Mike Doyle, chief executive officer of AHS said, “Safeguard and Founders Equity’s active support provides AHS with the ability to focus on the fundamental competencies of our business and pursue strategic acquisitions which will stimulate higher revenue growth rates and ultimately facilitate enhanced, more valuable offerings for our customers.”

As part of this transaction, Peter J. Boni and Kevin L. Kemmerer, senior vice president of Information Technology at Safeguard have joined AHS’ Board of Directors.

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About Advantedge Healthcare Solutions (AHS)

Founded in 1999, AHS is a technology-enabled service provider that provides medical billing services to physician groups using its proprietary software called Virtual Manager. This state-of-the-art software efficiently collects financial information and speeds the reimbursement of third-party claims, enabling physicians to increase operational efficiency, reduce costs, increase financial performance and comply with industry and governmental regulations. AHS provides outsourced billing and ASP services with varying degrees of scale to the following specialty practices: Anesthesiology, Cardiology, Emergency Medicine, Hospitalists, Internal Medicine, Multi-Specialty, Neonatology and Radiology. www.ahsnewyork.com

About Founders Equity Inc.

Since 1969, Founders Equity has been actively engaged in private equity investing and enhancing the value of small to mid-cap enterprises. As a result of the operating experience of its principals, Founders Equity strives to be added-value partners with entrepreneurial owners and management teams. It focuses on later-stage growth equity investments, recapitalization or buyouts of established business and management teams pursuing an acquisition growth strategy. www.fequity.com

About Safeguard

Safeguard Scientifics, Inc. (NYSE: SFE) builds value in high-growth, revenue-stage information technology and life sciences businesses. We provide growth capital as well as a range of strategic, operational and management resources to our partner companies. Safeguard participates in expansion financings, corporate spin-outs, management buyouts, recapitalizations, industry consolidations and early-stage financings. www.safeguard.com.

Except for the historical information and discussions contained herein, statements contained in this release may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements are subject to risks and uncertainties. These forward-looking statements that could cause actual results to differ materially, include, among others, managing rapidly changing technologies, limited access to capital, competition, the ability to attract and retain qualified employees, the ability to execute our strategy, the uncertainty of the future performance of our companies, acquisitions and dispositions of companies, the inability to manage growth, compliance with government regulations and legal liabilities, additional financing requirements, labor disputes, the effect of economic conditions in the business sectors in which our companies operate, and other uncertainties described in the Company’s filings with the Securities and Exchange Commission. Many of these factors are beyond our ability to predict or control. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. The Company does not assume any obligation to update any forward-looking statements or other information contained in this press release.

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