



AV Fund I
Financial Report
For the Quarter Ending
March 31, 2001

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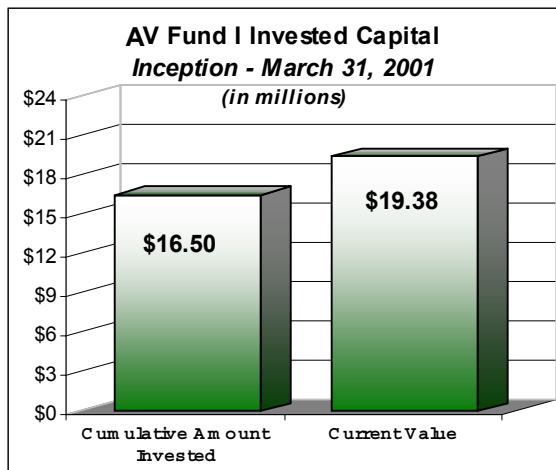
May 15, 2001

Dear Artemis Ventures Investors and Advisors:

Enclosed are the unaudited financials for the Artemis Ventures ("AV") Fund, LP for the quarter ending March 31, 2001. Also attached you will find full-page summaries on our portfolio companies.

AV Fund I Statistics:

Since inception through 1Q01, AV has invested in 8 portfolio companies totaling \$16,495,179. This investment is currently valued at \$19,376,926. We have allocated the remainder of the Fund for follow-on investments and management fees over the life of the Fund. The Fund is fully committed.



The Current Value of the Fund is \$19,376,926. "Current Value" includes the cost value of the investments plus unrealized gain, if any, based on the portfolio company's most recent round of third-party financing.

We will henceforth be reporting on fund value since inception, instead of our previous yearly report. We figure what is most relevant to our investors is the cost of the portfolio and its current value. Do bear in mind that the current value will both increase and decrease. Seed stage investing is a long term strategy and the end game is what is most relevant.

Do note that the Current Value on the chart to the left is less than the 1Q01 financials reflect. We have removed the gain attributed to Eletter, and we did so post quarter end. The Current Value will additionally change with the acquisition of

the Eletter assets. We do not know what the amount will be as of this time. For more on the status of Eletter see the below section entitled AV Fund I Portfolio Company Mentions.

AV Fund I Investment Activity:

- In January and March 2001, we invested \$250,000 and \$207,600 respectively in Eletter, Inc. Series C bridge round.
- In January 2001, we invested \$200,000 in a second close of Series A for Voice Access Technologies, Inc. (www.voice-access.com). Note: We had two additional outstanding bridge loans from September (\$100,000) and November (\$350,000) of 2000 which also converted in the second close of Series A. Please refer to the attached write-up for details on this investment.
- In March 2001, we invested \$500,000 in Taviz Technologies, Inc. (www.taviz.com) Series B bridge round. Please refer to the attached write-up for details on this investment.

AV Fund I Portfolio Company Mentions

Good news, Bad news.

Bad news first... Eletter ceased operations on April 16, 2001. The Series C financing syndicate fell apart at the eleventh hour, and the Board opted to cease financing the company. After calling on over 60 venture capitalists and corporate investors, and over 30 potential acquirers, we simply couldn't get the company funded. This was very disappointing, as the revenue ramp was steep and the product had evolved to a compelling enterprise offering. However, fixed costs were high and profitability was beginning to look further away – until the end of 2002. In the negative financing environment the Board couldn't find a financier. We had engaged an agent to sell the company and they too ran out of

* "Current Value" includes the cost value of the investments plus unrealized gain, if any, based of the portfolio company's most recent round of third-party financing. There are no assurances that any gain will be realized.

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time. The company's assets have been assigned to CMA Business Credit Services. Eletter is in conversation with potential asset purchasers, but as of the date of this letter, it is uncertain whether we will obtain a return of our investment capital in Eletter or whether we will have to write off any of that investment. They have had some offers for the Eletter assets from reputable companies. We'll most likely know the status in the next few weeks. We'll let you know the outcome. It is a tough time to raise financing. It is possible that additional portfolio companies may not be able to secure subsequent investment rounds.

Good news next... Taviz Technologies ended 1Q01 with \$2.34 million in revenue. We did the first of two closings on May 10. The pre-money valuation is \$19 million – nearly 3.5x the Series A pre-money valuation. In these crazy times of flat- and down- rounds we are thrilled to have an “up” round. The company had \$6 million in revenue last year and is on track for \$14 million this year. Next, Again Technologies booked their first \$1 million quarter. You'll recall from the 4Q00 letter that Again Tech had \$1 million in revenue last year. Not all of the 1Q01 bookings can be recognized as revenue in the given quarter as some product hasn't been deployed yet, but the trend is certainly positive.

AV Observations and Comments:

The Real-Time Enterprise

Last quarter we stressed that Global 2000 companies do not have all the pieces of the puzzle for e-business yet. There are still many opportunities and unserved areas of computing and information systems to be identified and developed.

We're particularly interested in the Real-Time Enterprise. If a company can close its books with a few hours or even days of quarter end, if a customer can get immediate status on an order, if an employee can understand the precise value of their 401K/number of available vacation days/amount of pending sales commissions – this is a real-time enterprise. The term applies to companies that run on current information systems – not the batch systems so many still rely on with unacceptable results and inconsistent or erroneous data. Enhanced programmable networks, data and application infrastructure, integration, communications, and storage solutions are all part of what's needed. With real-time computing, for every 1% increase in IT spending, you can cut your general and administrative expenses by 1.5 to 2%. Did you know Cisco earned \$7 billion in revenue in 1Q01 and \$4 billion didn't require human intervention? Now there's a great example of the real-time enterprise. You'll note Pete Solvik, CIO of Cisco is now on our Advisory Board.

Future Predictions

Vinod Khosla, general partner at Kleiner Perkins Caufield & Byers, and one of the most successful VCs on the planet, believes that there are at least ten years of investing left in the Internet space before it matures. He predicts the technology sector's contribution to the GDP will double, increasing from less than 20 percent of total goods and services it is today to about 40 percent. He said companies would near triple their spending on information technology to 10 percent of sales, up from 3.5 percent today.

You'll be hearing more about the Real-Time Enterprise in the news as well as in management and technical journals.

AV Expanded Team

We are thrilled to welcome three new members to the AV team.

Jörg Enge, Managing Director

Jörg Enge is Managing Director for Artemis Ventures, where he oversees the firm's investments in communications and networking companies. Jörg is responsible for managing technical due diligence. Previously, Jörg co-founded and ran Deutsche Telekom's corporate venture capital arm in the United States as Managing Director. While at T-Venture of America, Jörg sponsored and oversaw a series of strategic investments in the communications and wireless space including @Motion (acquired by Phone.com), eStamp (NASDAQ: ESTM), Webex (NASDAQ: WEBX), Eyematic, PlanetPortal, eCharge, utok, otelnet, VRI, wtrade, TessCom, netbytel, audiobasket, and Amikai. Before becoming a venture capitalist, Jörg held various senior engineering and business development roles in his illustrious 18-year career, with 11 years at Deutsche Telekom. A former entrepreneur himself, Jörg hails from a deep technical background, and holds various patents in the wireless space and has published numerous technical papers in the communications area.

Sandra Wales, VP of Finance and Administration

Sandra Wales is VP of Finance and Administration for Artemis Ventures, replacing Lisa Campos, our former Controller. Sandra oversees the firm's finances and operations as well as financial due diligence, analysis of portfolio companies and supports the general fundraising efforts. Sandra comes to Artemis Ventures with 17 years of experience in the technology sector ranging from start-ups to mature technology companies as well as the retail and non-profit sectors. She has worked in Europe, Asia and North America. Her experience includes finance, operations and strategy. She has been involved with e-commerce implementation of B2B technology as well as web-based application implementation in Fortune 500 firms in an executive capacity. She has held executive roles at Framfab, Silicon Graphics, and Gap Inc. Sandra holds a Bachelor's of Music History with Honors from the University of Western Ontario, an MBA from Santa Clara University, NASD Series 6 & 63 licenses as well as a CMA license.

Obinna "Obi" Isiadinso, Summer Associate

Obi Isiadinso will be joining the Artemis Team as our 2001 Summer Associate. Obi currently attends Harvard Business School where he is an MBA candidate. At Harvard, Obi is a member of the Venture Capital, High Tech New Media, Africa Business and the African American Student Union clubs. In 1997, Obi graduated *Magna Cum Laude* at Bernard M. Baruch College where he received a Bachelor of Business Administration Degree. Between Baruch and Harvard, Obi worked at Donaldson, Lukfin & Jenrette as an Analyst in Investment Banking and as an Auditor in Financial Services for Ernst & Young. At DLJ, he focused primarily on Telecommunication and Technology sectors and developed business plans and analyzed strategic issues with senior management. He has experience with private equity activities including capital raising, acquisition valuation and capital structure determination.

New Investor Section on Website

As announced at the Annual Investors meeting in March, a password-protected Investor Relations page is now available on the AV website. Below is a list of the information that can be found on the site.

- 2001 Annual Investors Meeting Binder - a complete PDF file for viewing or downloading.
- Quarterly Investor Letters
- Updates on the current status for the Portfolio Companies.
- FAQ (frequently asked questions)
- Differences Between AV Fund I & AV Fund II Partnership Agreements
- AV Team Contact Information

To access the Investor Section, click on the Investor Relations link on the top right hand corner of the AV site home page (www.artemisventures.com). Then click on the AV Fund I link and enter:

Username: avinvestor
Password: relations

Let us know if there is any other info you'd like for us to post there.

AV Fund II

The first close of Fund II is now complete. We have made our first Fund II investment in Lambda Optics (www.lambda-optics.com). More information on Lambda is in the Fund II quarterly Investor Letter. Please let us know if you'd like any additional information on Fund II or if you need a subscription agreement. We expect our second of three closes to be in June/July.

Thank you for your confidence and trust,



Christine Comaford Lynch
Managing Director



Jörg Enge
Managing Director

1Q01 Status Report for



Company

Description:

Again Technologies provides Enterprise Performance Management (EPM) software and services for managing variable and incentive-based compensation across the enterprise. Again Technologies' CompSense™ software is a modularized set of applications that enable organizations to align all incentives across the extended enterprise with corporate goals and objectives. CompSense allows companies to easily develop, manage, calculate, and communicate the full range of variable pay and performance compensation plans. It enables clients to maximize business impact by changing the way they motivate, calculate and reward employees, partners, and clients. Worldwide market size: \$4 Billion.

Key Quarterly

Events:

- *Successfully recruited CTO and SVP Engineering Ashok Kumar (formerly VP Engineering at ThinkLink, Sr. Software Architect at SAP)*
- *Continuing to hit development milestones for CompSense for release in 2Q01*
- *Closed \$850K in sales in 1Q01, almost equaling sales revenues for entire calendar year 2000 (\$1M); 2Q01 sales forecast is now \$1.2M*

In 1Q01, Again Technologies added to their core team by naming Ashok Kumar Senior Vice President of Engineering and Chief Technology Officer. In this role, Kumar is responsible for all product engineering activities, including product development, systems integration and quality assurance. Kumar formerly served as Vice President of Software Engineering for ThinkLink, Inc., an ASP providing a bundled suite of IP-based messaging and voice services. Previously, Kumar was with SAP Labs for six years. As SAP Labs' Senior Software Architect, Kumar was responsible for analyzing and recommending technologies for their Internet/Intranet and E-Commerce initiatives. Kumar also led a team of SAP and Microsoft development engineers involved in porting SAP's flagship R/3 product to Microsoft SQL Server and its subsequent launch. Prior to that, Kumar was a project manager at LSI Logic Corporation and oversaw the development of manufacturing and WIP (work in progress) tracking systems. Kumar holds a masters degree in computer engineering and a masters degree in applied mathematics from the University of Southern California, Los Angeles as well as a bachelor of science degree in engineering from the Indian Institute of Technology, Kharagpur. This "beefed up" engineering team is on target to deliver CompSense 7.0 in 2Q01, and will be able to run on Oracle and Unix. On the sales front, the Company closed four customers this quarter, including new customers Pivotal and Group 1 Software. The Company has generated almost enough revenues in the first quarter to equal the entire calendar year sales in 2000. Several more customers contracts were pending as of the time of printing, including Accountants on Call, GE Capital, Pyxis, Radisys, Digital Insight, and Playboy.

Vital Signs:

- No. of Partners/Customers: 4 key partners including RewardStrategies.com, Watson Wyatt, iQuantic, and Pivotal; 15+ key customers including Alexander Group, Tektronix, PacificCorp, ALARIS, Southern California Edison, Trimble Navigation Systems, Clorox, Fleet Financial, Skillsoft, Group1 Software, and Pivotal
- Profitability Target Date: 4Q02

Currently

Looking for:

- Recruiting: VP Marketing

Funding

Needs/Status:

- Raising Series C since 2Q01

**1Q01 Status Report
for**

AMPENT

Company

Description: Ampent (formerly AccessLease) is a financial services infrastructure company. With their patent pending Capital Acceleration Platform (CAP), Ampent significantly increases the speed, efficiency and quality of finance transactions while reducing the cost and effort associated with traditional lease processes. The Company provides private-labeled leasing infrastructure to software, hardware, and equipment manufacturers. Powered by Ampent, these manufacturers can provide their own private-label leasing program, which is fully web-enabled from fulfillment through funding. Worldwide market size: \$3 Trillion.

Key Quarterly

Events:

- *Successfully recruited CEO Ray Smith (formerly CEO of Fritz Companies, President of US Fleet Leasing, General Manager and VP Bus. Dev. GE Capital Fleet Leasing)*
- *Successfully closed 14 vendor agreements (originators of lease deal flow) and now implemented a total of 6 new Finance Centers*
- *Release of Capital Acceleration Platform (CAP)*

Ampent successfully convinced industry veteran Ray Smith to join the Company as its Chief Executive Officer and its Board of Directors, while Ampent's co-founder, Troy Klith, will continue to serve as President and Chairman and will oversee daily business operations. Previously, Smith was CEO of Fritz Companies, one of the world's largest publicly traded supply-chain logistics corporations, with over 11,000 employees located in 115 countries and \$1.6 billion in revenue. Prior to joining Fritz, Smith was President of U.S. Fleet Leasing, a subsidiary of Associates First Capital Corporation with over \$1.6 billion in earning assets. During Smith's six years of leadership the subsidiary grew at over 25% per annum, generated its strongest profitability gains and was judged the industry leader for overall customer satisfaction and growth. Smith has also compiled a distinguished 15-year record at GE Capital where he was General Manager for private-label credit card programs, and responsible for business development of its fleet leasing and service business. The Company has also inked 14 vendor deals providing private label leasing solutions, and implemented the Capital Acceleration Platform (CAP) into 6 new financing centers: Computer Connection, CMI, Auspex, Metric, Online Asset Exchange, and PDC Solutions. Through Ampent's CAP, these partners will provide its customers with an automated, real-time lease processing solution - bringing the lease closer to the point-of-sale. CAP is the first complete point-of-sale leasing solution which includes real-time credit scoring and decision-making, sophisticated lease analysis tools, risk-adjusted pricing, automated documentation generation and tax calculation, workflow management and online status reporting.

Vital Signs:

- No. of Partners/Customers: Over 50 partner funding sources including GE Capital, Bank of the West, US Bancorp, Fisher-Anderson, Financial Pacific, Erwin Bank, United Capital, Fremont, Onmark, and Equilease; over 10 distribution partner sources including Planetary Networks, Auspex, Computer Connection, DRB Systems, Online Asset Exchange, TV Magic, CMI, Metric Sales, PDC Solutions, OnMark, CAT Technology, Avalon Test Equipment, and Network Catalyst
- Profitability Target Quarter: 2Q02

Currently

Looking for:

- Recruiting: CFO/COO, VP Engineering, Sr. Product Managers, Bus. Dev. Manager
- Contacts Needed: Bus. Dev. contacts at Intuit, bCentral, AllBusiness

Funding

Needs/Status:

- Raising Series B since 2Q01

1Q01 Status Report
for



**Company
Description:**

Clairvoyant provides demand-forecasting solutions for enterprise networks, telecom providers, wireless service providers, broadband access providers, equipment vendors, and internet service providers. Downtime and quality of service are of utmost importance in the wired and wireless world. The Company has developed the first *predictive* engine which can determine when a given site needs more bandwidth, servers, routers, and other network resources in order to continue to run at a pre-determined performance level. Worldwide market size: \$1 Billion.

**Key Quarterly
Events:**

- *Continuing to build and strengthen customer relationship with 3Com*
- *Successfully released ForeCast Manager 2.3 and deployed at several customer sites*
- *Appointed Rick Thau as Special Consultant to the Board of Directors*

Clairvoyant continues to move deeper into 3Com's 'skin' by collaborating with CommWorks Corporation. Clairvoyant and CommWorks, a 3Com subsidiary, are teaming up to offer "Service-Demand Forecasting" of Centennial de Puerto Rico's CDMA Wireless Internet Service Network. CommWorks supplies Centennial de Puerto Rico with its code division multiple access (CDMA) wireless data network equipment, software, and professional services support to build an advanced wireless network. CommWorks will provide the service to Centennial utilizing Clairvoyant's ForeCast Manager to proactively inform Centennial what network equipment to buy, how much, when, and where to deploy it. Thus, the Clairvoyant ForeCast Manager is successfully monitoring Centennial's wireless data network and will enable them to make reliable growth plans to build and maintain high customer loyalty. In addition, the Company has released version 2.3 of its ForeCast Manager Solution, which enhances scalability to forecast the demand from larger carrier class networks. Release 2.3 is already being deployed at several customer sites, including Citicorp and Sun Microsystems. The pilot program at Sun has already expanded implementation of release 2.3 from one site to four. Finally, the Company appointed Rick Thau as Special Consultant to the Board of Directors, where he will help the company source, negotiate, and execute key business development deals. Rick was previously CEO, Chairman, and Founder of FullTime Software, the market leader in publishing and distribution software for networked computing. In this role, Rick led the acquisition of Octopus Technologies, enabling the Company to take a leadership position in the Microsoft NT reliability market. The company exited through a successful IPO co-managed by investment banks Hambrecht & Quist and Solomon Smith Barney in 1997. FullTime was sold to Legato Systems in 1999, generating 30-50% internal rate of return for its venture investors. Previously, he held various CEO and other executive leadership roles at various software companies, including Bowers Imaging, Micro-MRP, General Parametrics, and Tymshare.

Vital Signs:

- No. of Partners/Customers: 4 key partners including Cobalt Networks, Sun Microsystems, Cache Flow, 3COM; over 10 key customers including NetZero, EOS, Cache Flow, 3COM, Exodus, Network Associates, Verizon, UVA, Citicorp, Sun Microsystems, Talking Nets, MFN/Abovenet, Usi
- Profitability Target Quarter: 4Q02

**Currently
Looking for:**

- Recruiting: VP Engineering, Engineering hires (QA)

**Funding
Needs/Status:**

- Series B completed; will last until 1Q02
- Raising Series C in 3Q01

1Q01 Status Report for



Company

Description:

Taviz provides infrastructure software that gives Fortune 1000 companies and emerging eBusinesses the missing link in real-time integration. Taviz solutions help integrate disparate applications, data and information - internally and externally. Customers can quickly and cost-effectively deploy and manage integration projects regardless of data format or application expertise. With the largest library of fully documented, pre-built Intelligent Adapters; standards-based technology; and a single-point of maintenance and management, Taviz has helped over 400 businesses worldwide leverage existing infrastructure and minimize programming. The Company helps enterprise and Internet IT professionals manage information assets and preserve process integrity while reducing programming costs. Worldwide market size: \$4.2 Billion.

Key Quarterly

Events:

- *In process of closing Series B; received term sheet for 3.5x valuation increase from Series A to Series B*
- *Continuing to meet \$14M revenue run-rate projections*
- *Closed strategic alliances with iWay and MobileSys*

Despite the current investment climate, Taviz has managed to negotiate a Series B term sheet for a 3.5x valuation increase from Series A. The term sheet and current Series B syndicate is being led by Robert Winter of Rocket Ventures, who is expected to join the Board of Directors upon closing. Robert was previously a start-up and investment fund consultant with The Winter Group. Previously, he was a General Partner at Comdisco Ventures and a Senior Associate at Canaan Partners. He has also held senior marketing, business development, and sales management positions at Hewlett-Packard, Informatics General, and IBM. Taviz also formed key strategic alliances this quarter with iWay Software and Mobilesys. iWay and Taviz will work together to offer Taviz customers the technology needed to access legacy mainframe data and pull it into the Taviz eIntegration suite. The partnership will enable Taviz customers to reduce time to market, extend product scope, and simplify implementations. iWay provides standard interfaces, or connectors, that will allow Taviz customers to request information from legacy mainframe systems and expand their options for connectivity. Likewise, the combined technology from MobileSys and Taviz will streamline the process of extracting data, transforming it into a standards-based XML loadable format and delivering it to mobile devices. In addition, the partnership will allow MobileSys to broaden the base of back-end systems from which they can deliver content and data while providing Taviz with the ability to extend wireless capabilities for their customers. As part of the agreement, MobileSys and Taviz will also engage in joint marketing, sales and business activities.

Vital Signs:

- Key Partners/Customers: 15 key partners including IBM, Compaq, HP, Oracle, Microsoft, Sun Microsystems, Nokia, Deloitte and Touche, Accenture, Ernst & Young, EDS, Computer Science Corporation, Peoplesoft, Rapt, and Mobilesys; over 50 key customers (for current product offering, over 300 customers for old product offering) including Ford, Best Buy, BlueLight.com, Virtual Learn, EMC Corporation, British Telecom and the AT&T, GE, ITT/Sheraton, Motorola, NYSE, Siemens, Singapore Telecom, Sony, Toshiba, Transamerica, Volkswagen, On-Semiconductor, Sun Microsystems, First America, Fareastone, and Vodafone
- Profitability Target Quarter: 2Q02

Currently

Looking for:

- Contacts Needed: Bus. Dev. contacts with wireless companies, including OpenWave (formerly Phone.com/Software.com), Ariba, EMC, Great Plains, Seibel, BEA, Persistence, Compaq, IBM Global

Funding

Needs/Status:

- Expected to close Series B of \$10-\$12M in 2Q01; 3.5x valuation increase from Series A to B

1Q01 Status Report
for



**Company
Description:**

Toolwire is the leading infrastructure provider for online electronics design to the global electronics industry. Toolwire is the leading provider of online electronics design infrastructure for technology providers in the electronics supply chain including chip manufacturers, EDA suppliers and contract manufacturers. Toolwire develops and deploys applications that target specific design interactions between technology providers and customer design teams to enable technology providers to cost-effectively scale collaboration and accelerate adoption of new products by their customers. By integrating technology provider's tools, services, and branding into Toolwire's online design infrastructure, Toolwire lets technology providers maintain control while quickly and efficiently expanding their service offering to their entire customer base. Worldwide market size: \$20 Billion.

Key Quarterly

Events:

- *Successfully recruited VP Sales & Bus. Dev. Larry Fagg (formerly various sales executive roles at Mentor, Cadence, Silicon Architects, Synopsys and Artesan)*
- *Beginning customer trials with Cisco*
- *Refined key business strategy to focus on learning system management based upon initial target customer feedback*

The Toolwire team continues to move its product offering forward to market adoption by successfully recruiting Larry Fagg as the Vice President of Sales and Business Development. Larry has had a distinguished career in the electronics industry with sales executive roles at Mentor, Cadence, Silicon Architects, Synopsys and Artesan. He brings a wealth of selling expertise and market domain knowledge to the Toolwire team. He will develop the sales team and continue to drive the Company's market adoption. The Company also began customer trials with Cisco as they deployed the Mammoth 3.6 platform to train engineers in the use of software tools. Under this developing relationship, Cisco's Chief of Engineer Training will begin training his peers throughout the organization in the use of new software products. This relationship could lead to company wide adoption of the Mammoth 3.6 platform. Finally, the Company continued to address customer concerns regarding the current product offering. Altera, a leader in chip manufacturing and design, provided valuable feedback to the Toolwire team regarding the overall value proposition of the offering. This new feedback has refined the Company's go-to-market strategy, and more emphasis is now being placed on a full learning system and infrastructure platform for companies versus an ASP-based "pay per use" design tools portal. This refined focus will allow tool, silicon and design-services vendors to better support and communicate with customers. Elements of Mammoth 3.6 will begin to be released in 2Q01, and will offer via its ASP infrastructure platform a number of products in three areas: ready-to-use design environments, automated application management, and online design computing infrastructure.

Vital Signs:

- Key Partners/Customers: 13 key partners (who are also customers) include: Sun Microsystems, Lucent, Synopsys, Avnet, Webex, Questlink, ChipCenter, Triscend, Novas, Oracle, EDA Planet, CMPnet; key customer is Altera, Cisco, and numerous prospects including Averant, Innoveda
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- Recruiting: Financial Analyst, Customer Service Manager, Product Manager

Funding

Needs/Status:

- Series B completed; will last until 2Q02
- Raising Series C in 1Q02

1Q01 Status Report for



Company

Description: ViewCentral is a leading learning management system (LMS) provider that helps companies manage training programs. Its hosted applications empower employees to produce, publish and promote learning programs on customer and partner Web sites without technical assistance. ViewCentral's core product, InterThought, automates all aspects of learning management, including marketing, registration, online payment processing, reporting and re-marketing. Worldwide market size: \$100 Billion.

Key Quarterly

Events:

- *Continuing to close large enterprise marquee customers and displacing larger, public companies*
- *Beginning first phase of joint marketing efforts with Webex*
- *Release of version 3.0 on schedule*

ViewCentral's marketing and lead generation efforts continued to generate traction for the Company as the sales team continues to land marquee customers and displace larger, public companies. The pipeline has solidified, and is generating significant interest from big companies. In 1Q01, the Company closed BASE Consulting, NAI, Kana, and renewed On Semi and Informatica. Renewals have increased the average order size over their previous order, and the Company has achieved limited pipeline conversion to larger accounts. Other customers in the pipeline for 2Q01 include Nortel Networks, Wind River Systems, WebGain, Decker Communications, Merrill Lynch, Lam Research, Applied Materials, and Autodesk. Market adoption rate should increase as the first phase of joint marketing efforts with Webex are launched in 2Q01. Under the proposed agreement, Webex, the largest online conferencing venue, will promote Viewcentral's LMS systems to its customers.

The Company also released version 3.0 of InterThought, now offering a complete suite of customer functionality for its learning management system. Version 3.0 incorporates marketing, registration, online payment processing, reporting and re-marketing. Future releases will include publishing/subscription tools, one-step tracking/sub-event registration, mass registration/edit, discounts/uplifts and multi-pricing, enhanced e-commerce, and seat allocation.

Vital Signs:

- No. of Partners/Customers: over 8 key partners including ASPRegistry, Cybercash, eConstructors, ELetter, iBeam, PlanSoft, Webex, Headlight, and Siebel; over 40 key customers including 3COM, 3Ware, AboveNet, AlphaBlox, ASP Registry, Base Consulting, Brio, Broadbase Software, Clarify, Cosine, EchoStar, EPRI, iBEAM, IBM, Informatica, Integral Results, Integrated Computer Solutions, Kana, Kintana, LearningByte, LoudCloud, Market-Touch, Metropolitan Life, Network Associates, Otronics, ON Semiconductor, Panurgy, Peoplesoft, PG&E, Seagate, Segesta, Spectrum Computer, Ventaso, Vision Associates, WebGain, Web Methods
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- Recruiting: Sales reps

Funding

Needs/Status:

- Secured \$1.5M bridge loan; will last until 4Q01
- Raising Series B since 2Q01

1Q01 Status Report for



VOICE ACCESS
TECHNOLOGIES, INC.

Company

Description:

Voice Access Technologies provides location-based, voice-activated services to wireless carriers, call centers, and automotive manufacturers. Voice Access is the first "business to business" application infrastructure provider to use cutting-edge voice recognition technology. By leveraging existing text-to-concatenated speech technology, integrated databases and content providers, Voice Access is able to provide customized data solutions compatible with any wireless phone or application. Worldwide market size: \$150 Billion.

Key Quarterly

Events:

- *Cingular and Verizon trials moving forward*
- *Beginning initial implementation to port system from NT to UNIX*
- *Beginning to move into professional services market to address lucrative revenue opportunities*

VAT continues to move forward with key telecommunications service providers Cingular and Verizon wireless. Customer trials are set to begin in 3Q01, and the Company is currently trading technical specifications with Cingular and Verizon to ensure seamless portability. The Company has also chosen to port its system from NT to UNIX, which is crucial for market adoption. This strategic move will address a wide variety of telecommunications service providers who are agnostic to NT, and prefer UNIX as a next generation operating system. To date, other would-be competitors of VAT are not concerned with implanting UNIX as their key operating system, which should give VAT a significant competitive advantage. Moreover, key competitors TellMe and BeVocal announced significant restructuring and layoffs in the recent quarter, evidencing the inherent flaws in their consumer-oriented business models.

Vital Signs:

- Partners/Customers: GTE-TSI is key partner; key customers include Cingular, Verizon, Cisco, and other numerous customer prospects including AT&T Wireless and Sprint
- Profitability Target Quarter: 4Q02

Currently

Looking for:

- Recruiting: VP Marketing, Sales Reps (post funding)
- Contacts Needed: Bus. Dev. contacts from wireless carriers

Funding

Needs/Status:

- Extended Series A to include additional \$500K; will last until mid 3Q01
- Raising Series B since 1Q01

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Net Assets
March 31, 2001

Assets

| | |
|---|-----------------------------|
| Investment in securities, at fair value (cost \$16,495,179) | \$ 21,832,261 |
| Cash and cash equivalents | 5,415,699 |
| Prepaid Management Fees | 141,206 |
| Prepaid insurance | 40,860 |
| | <hr/> |
| Total assets | <u><u>\$ 27,430,026</u></u> |

Liabilities

| | |
|--------------------------------|-----------------------------|
| Accrued Liabilities | \$ 16,348 |
| | <hr/> |
| Net Assets (partners' capital) | <u><u>\$ 27,413,678</u></u> |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Schedule of Portfolio Investments
March 31, 2001

| | Shares | Privately Held Preferred Stock | | Other | | Total | | Unrealized Appreciation (Depreciation) |
|--|-----------|--------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|--|
| | | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | |
| High Technology (75% of net assets) | | | | | | | | |
| Ampent Inc. (AccessLease): | | | | | | | | |
| Series A Preferred | 2,552,910 | \$ 1,674,709 | \$ 1,674,709 | | | \$ 1,674,709 | 1,674,709 | - |
| Again Technologies, Inc.: | | | | | | | | |
| Series A Preferred | 1,211,545 | 675,000 | 1,356,930 | | | 675,000 | 1,356,930 | 681,930 |
| Series B Preferred | 999,167 | 1,119,067 | 1,119,067 | | | 1,119,067 | 1,119,067 | - |
| Clairvoyant Software, Inc.: | | | | | | | | |
| Series A Preferred | 1,133,333 | 850,000 | 2,164,667 | | | 850,000 | 2,164,667 | 1,314,667 |
| Series B Preferred | 523,560 | 1,000,000 | 1,000,000 | | | 1,000,000 | 1,000,000 | - |
| ELetter Inc. | | | | | | | | |
| Series A Preferred | 967,743 | 500,001 | 2,955,336 | | | 500,001 | 2,955,336 | 2,455,335 |
| Series B Preferred | 523,930 | 1,600,000 | 1,600,000 | | | 1,600,000 | 1,600,000 | - |
| Convertible Promissory note | | | | 250,000 | 250,000 | 250,000 | 250,000 | - |
| Convertible Promissory note | | | | 207,600 | 207,600 | 207,600 | 207,600 | - |
| Taviz Technologies Inc. | | | | | | | | |
| Series C Preferred | 800,000 | 400,000 | 400,000 | | | 400,000 | 400,000 | - |
| Convertible Promissory note | - | | | \$ 1,500,000 | \$ 1,500,000 | 1,500,000 | 1,500,000 | - |
| Convertible Promissory note | | | | \$ 500,000 | \$ 500,000 | 500,000 | 500,000 | - |
| Toolwire, Inc.: | | | | | | | | |
| Series A Preferred | 450,000 | 599,850 | 1,485,000 | | | 599,850 | 1,485,000 | 885,150 |
| Series B Preferred | 500,236 | 1,650,779 | 1,650,779 | | | 1,650,779 | 1,650,779 | - |
| ViewCentral, Inc.: | | | | | | | | |
| Series C Preferred | 2,062,500 | 1,650,000 | 1,650,000 | | | 1,650,000 | 1,650,000 | - |
| Convertible Promissory note | - | | | 477,000 | 477,000 | 477,000 | 477,000 | - |
| Voice Access Technologies, Inc.: | | | | | | | | |
| Series A Preferred | 1,502,999 | 1,841,173 | 1,841,173 | | | 1,841,173 | 1,841,173 | - |
| Total Portfolio Investment | | \$ 13,560,579 | \$ 18,897,661 | \$ 2,934,600 | \$ 2,934,600 | \$ 16,495,179 | \$ 21,832,261 | \$ 5,337,082 |
| Percentage of net assets (all in the United States) | | | 69% | | 11% | \$ (0) | 80% | |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Operations
For the Three Months Ended March 31, 2001

| | |
|--|---------------------------|
| Interest Income | \$ 94,726 |
| Expenses | |
| Management fee | 141,206 |
| Professional fees | 6,454 |
| Other Expenses | <u>27,883</u> |
| Total expenses | 175,543 |
| Net investment loss | (80,818) |
| Unrealized appreciation on investments | |
| Beginning of year | \$ 5,337,082 |
| End of year | <u>5,337,082</u> |
| Net change in unrealized appreciation | <u>-</u> |
| Net increase in net assets resulting from operations | <u><u>\$ (80,818)</u></u> |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Partner' Capital
For the Three Months Ended March 31, 2001

| | General Partner | Limited Partner | Total |
|---------------------------------------|----------------------------|----------------------------|--------------------------|
| Balances, December 31, 2000 | 1,251,617 | 26,242,878 | 27,494,495 |
| Capital contributions | | | - |
| Net investment loss | (809) | (80,008) | (80,818) |
| Net change in unrealized appreciation | | | - |
| Balances, March 31, 2001 | <u><u>1,250,808</u></u> | <u><u>26,162,869</u></u> | <u><u>27,413,677</u></u> |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Cash Flows
For the Three Months Ended March 31, 2001

| | |
|---|---------------------|
| Cash flows from operating activities | |
| Net increase in net assets resulting from operations | (80,818) |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities: | |
| Net changed in unrealized appreciation on investments | - |
| Changes in assets and liabilities: | |
| Due to Management Company | 24,595 |
| Prepaid management fee | (141,206) |
| Prepaid Insurance | 9,500 |
| Accounts Payable | <u>(17,700)</u> |
| Net cash provided by operating activities | <u>(205,628)</u> |
| Cash flows from investing activities | |
| Purchase of investments | <u>(1,174,168)</u> |
| Cash flows from financing activities | |
| Contributions from partners | |
| Capital contribuion receivable from limited partners | <u>81,272</u> |
| Net cash provided by financing activities | 81,272 |
| Net decrease in cash and cash equivalents | (1,298,524) |
| Cash and cash equivalents, beginning of year | <u>6,714,224</u> |
| Cash and cash equivalents, end of year | <u>\$ 5,415,699</u> |
| Supplemental disclosure of non-cash investing activities | |
| Conversion of notes receivables into privately held preferred stock | <u>650,000</u> |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Changes in Individual Partners' Capital Accounts
For the Year Ended March 31, 2001

| Name Limited Partners | Capital Commitment | Partnership Percentage | Partner Capital 12/31/00 | Capial Contributed in 2001 | Default Partner Interest Reallocation | Revised Capital Account 1/01/01 | 3/31/01 Investment Loss | Partner Capital 3/31/01 |
|------------------------------------|-----------------------|---------------------------|-----------------------------|----------------------------------|---|---------------------------------------|-------------------------------|-------------------------------|
| AB Financial LLC | 250,000 | 1.11% | \$ 293,321 | \$ - | \$ (0) | \$ 293,321 | \$ (894) | \$ 292,427 |
| Abbott, Gary Edward | 252,000 | 1.12% | 295,668 | - | (0) | 295,668 | (901) | 294,767 |
| Abrams, Alan & Michela O'Connor | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Andrews Jr., Neal L. | 75,000 | 0.33% | 87,996 | - | (0) | 87,996 | (268) | 87,728 |
| Basker, Nevet | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| Bass, Robert M. | 514,438 | 2.28% | 586,643 | 14,438 | 2,502 | 603,582 | (1,840) | 601,742 |
| BayStar Capital LLC | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Bedrin, Gerald | 500,000 | 2.21% | 586,642 | - | (0) | 586,642 | (1,789) | 584,854 |
| Benson, John M | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Bertero Living Trust | 300,000 | 1.33% | 351,986 | - | (0) | 351,986 | (1,073) | 350,913 |
| Bowman, Lawrence A. | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Brandwynne, Jacqueline B. | 257,219 | 1.14% | 293,321 | 7,219 | 1,251 | 301,791 | (920) | 300,871 |
| Broadview Partners Group | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Buhari, M.D. Fram | 154,331 | 0.68% | 175,993 | 4,331 | 751 | 181,075 | (552) | 180,523 |
| Capital Partnership | 514,438 | 2.28% | 586,643 | 14,438 | 2,502 | 603,582 | (1,840) | 601,742 |
| Chern, Eric | 514,438 | 2.28% | 586,643 | 14,438 | 2,502 | 603,582 | (1,840) | 601,742 |
| Conte, Victor Brian | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Cook, Francis V. | 750,000 | 3.32% | 879,964 | - | (0) | 879,964 | (2,683) | 877,281 |
| Cowen, Gary | 77,166 | 0.34% | 87,996 | 2,166 | 375 | 90,537 | (276) | 90,261 |
| CVT Management LLC | 750,000 | 3.32% | 879,964 | - | (0) | 879,964 | (2,683) | 877,281 |
| Danielson, Eric L. | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Ekstract, Richard | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Emerson, Richard | 150,000 | 0.66% | 175,993 | - | (0) | 175,993 | (537) | 175,456 |
| ETF Holding N.V. | 300,000 | 1.33% | 351,986 | - | (0) | 351,986 | (1,073) | 350,913 |
| Farber, Daniel | 100,000 | 0.44% | 117,329 | - | (0) | 117,329 | (358) | 116,971 |
| Feeney, Timothy P. | 250,000 | 1.11% | 293,322 | - | (0) | 293,322 | (894) | 292,427 |
| Fennema, David | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| GC&H Investments | 360,000 | 1.59% | 422,383 | - | (0) | 422,383 | (1,288) | 421,095 |
| Giangiorgi, Edward Michael | 250,000 | 1.11% | 293,322 | - | (0) | 293,322 | (894) | 292,427 |
| Giotes, Artie G. | 51,444 | 0.23% | 58,665 | 1,444 | 250 | 60,359 | (184) | 60,175 |
| Goodrich, James & Penelope H. | 100,000 | 0.44% | 117,328 | - | (0) | 117,328 | (358) | 116,970 |
| Griggs Jr., Carl L. | 52,473 | 0.23% | 60,367 | 994 | 205 | 61,565 | (188) | 61,378 |
| Griggs, Glynn J. | 51,479 | 0.23% | 60,367 | - | (530) | 59,838 | (184) | 59,653 |
| Griggs, Mark R. | 51,994 | 0.23% | 59,838 | 994 | 734 | 61,565 | (186) | 61,379 |
| Grove Investment Partners | 308,663 | 1.37% | 351,986 | 8,663 | 1,501 | 362,149 | (1,104) | 361,045 |
| ANDREW S. GROVE AND EVA KA | 500,000 | 2.21% | 586,643 | - | (0) | 586,643 | (1,789) | 584,854 |
| Grzanowski, Kathleen & Christopher | 257,219 | 1.14% | 293,321 | 7,219 | 1,251 | 301,791 | (920) | 300,871 |
| GTO Management | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Gumbel, Michael | 300,000 | 1.33% | 351,986 | - | (0) | 351,986 | (1,073) | 350,913 |
| Joseph, George A. | 400,000 | 1.77% | 469,314 | - | (0) | 469,314 | (1,431) | 467,883 |
| JRODILI | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Julian, David | 50,000 | 0.22% | 58,665 | - | (0) | 58,665 | (179) | 58,486 |
| Julian, Robert | 51,444 | 0.23% | 58,665 | 1,444 | 250 | 60,359 | (184) | 60,175 |
| Kepes, Paul & Monica | 514,438 | 2.28% | 586,643 | 14,438 | 2,502 | 603,583 | (1,840) | 601,742 |
| King Jr., J Dudley | 308,663 | 1.37% | 355,100 | 5,845 | 1,204 | 362,149 | (1,104) | 361,045 |
| Lawless, John W | 257,219 | 1.14% | 293,321 | 7,219 | 1,251 | 301,791 | (920) | 300,871 |
| Lemontree Holding LTD | 300,000 | 1.33% | 351,986 | - | (0) | 351,986 | (1,073) | 350,913 |
| Lorraine C. Grahm Trust | 77,166 | 0.34% | 87,996 | 2,166 | 375 | 90,537 | (276) | 90,261 |

Artemis Ventures Fund, L.P.
(a California limited partnership)
Statement of Changes in Individual Partners' Capital Accounts
For the Year Ended March 31, 2001

| Name | Capital Commitment | Partnership Percentage | Partner Capital 12/31/00 | Capial Contributed in 2001 | Default Partner Interest Reallocation | Revised Capital Account 1/01/01 | 3/31/01 Investment Loss | Partner Capital 3/31/01 |
|---|--------------------|------------------------|--------------------------|----------------------------|---------------------------------------|---------------------------------|-------------------------|-------------------------|
| Limited Partners | | | | | | | | |
| Madyoon, Hooman | 150,000 | 0.66% | 175,993 | - | (0) | 175,993 | (537) | 175,456 |
| Mansur, Walid | 550,000 | 2.43% | 645,307 | - | (0) | 645,307 | (1,967) | 643,340 |
| Meighan, Torunn K. | 102,888 | 0.46% | 118,366 | 1,948 | 401 | 120,715 | (368) | 120,347 |
| Melton, William N. | 1,028,875 | 4.55% | 1,173,285 | 28,875 | 5,004 | 1,207,164 | (3,680) | 1,203,484 |
| Miller Dorin & Singer, Eliahu | 255,000 | 1.13% | 299,188 | - | (0) | 299,188 | (912) | 298,276 |
| Naegele, Richard J. | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| Owens, Michael Brian | 154,331 | 0.68% | 175,993 | 4,331 | 751 | 181,075 | (552) | 180,523 |
| Owens, Raymond W. | 154,331 | 0.68% | 175,993 | 4,331 | 751 | 181,075 | (552) | 180,523 |
| Pareek, Purna N | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| Resnikoff Innovations, LLC | 250,000 | 1.11% | 293,322 | - | (0) | 293,322 | (894) | 292,427 |
| Roberts, Daniel J. | 52,473 | 0.23% | 60,366 | 994 | 205 | 61,564 | (188) | 61,377 |
| Santino, George A. | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Shover, Lawrence M | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Silicon Valley Bancshares | 100,000 | 0.44% | 117,328 | - | (0) | 117,328 | (358) | 116,970 |
| Software Venture Partners | 50,000 | 0.22% | 58,665 | - | (0) | 58,665 | (179) | 58,486 |
| Stafford Investments, LLC | 250,000 | 1.11% | 293,321 | - | (0) | 293,321 | (894) | 292,427 |
| Stewart, Charles K. | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| Stokes Lazarus & Carmichael | 36,000 | 0.16% | 42,238 | - | (0) | 42,238 | (129) | 42,110 |
| Tengelsen, Erich | 514,438 | 2.28% | 586,643 | 14,438 | 2,502 | 603,582 | (1,840) | 601,742 |
| Tenzer, Lee E. | 600,000 | 2.66% | 703,971 | - | (0) | 703,971 | (2,146) | 701,825 |
| The Avram Miller Trust | 257,219 | 1.14% | 293,321 | 7,219 | 1,251 | 301,791 | (920) | 300,871 |
| The Nachtsheim Family Trust | 250,000 | 1.11% | 293,322 | - | (0) | 293,322 | (894) | 292,427 |
| Thompson, John L. | 75,000 | 0.33% | 87,996 | - | (0) | 87,996 | (268) | 87,728 |
| Tzannes, Michael A. | 50,000 | 0.22% | 58,665 | - | (0) | 58,665 | (179) | 58,486 |
| Wachtel, Kenneth Jack | 128,609 | 0.57% | 146,661 | 3,609 | 625 | 150,896 | (460) | 150,436 |
| Wachtel, William W | 128,609 | 0.57% | 146,661 | 3,609 | 625 | 150,896 | (460) | 150,436 |
| Walker, Dwayne | 308,663 | 1.37% | 351,986 | 8,663 | 1,501 | 362,149 | (1,104) | 361,045 |
| Watts, Sam J. | 77,166 | 0.34% | 87,996 | 2,166 | 375 | 90,537 | (276) | 90,261 |
| Webster Jr., Frederick F. | 60,000 | 0.27% | 70,397 | - | (0) | 70,397 | (215) | 70,183 |
| Werdegar, Maurice | 100,000 | 0.44% | 117,328 | - | (0) | 117,328 | (358) | 116,970 |
| Woods, Kenneth R. | 75,000 | 0.33% | 87,996 | - | (0) | 87,996 | (268) | 87,728 |
| World Venture Partners, Inc. | 504,696 | 2.23% | 586,643 | 4,696 | 814 | 592,153 | (1,805) | 590,348 |
| Yoffie, Terry S. & David B. | 100,000 | 0.44% | 117,328 | - | (0) | 117,328 | (358) | 116,970 |
| Chris Lynch | 52,473 | 0.23% | - | 52,474 | 9,094 | 61,568 | (188) | 61,380 |
| Artemis Management company LLC as an LP | - | 0.00% | 287,580 | - | (287,580) | - | - | - |
| Total Limited Partners | 22,367,000 | 99.00% | 26,242,878 | 244,807 | (244,804) | 26,242,879 | (80,008) | 26,162,870 |
| General Partner | | | | | | | | |
| Artemis Management company LLC | 225,929 | 1.00% | \$ 1,251,617 | - | - | 1,251,617 | (809) | 1,250,808 |
| Total Partnership | 22,592,929 | 100.00% | 27,494,495 | 244,807 | (244,804) | 27,494,496 | (80,818) | 27,413,678 |