



**AV Fund I Annual Investor Meeting
September 19, 2003**

The State of the VC Industry

- ✦ Liquidity options remain scarce, but IPOs are increasingly holding their value, and M&A deals are netting greater value
- ✦ Deal flow activity/collaboration is active again
- ✦ No “hot” sectors, just companies with clear paths to profitability
- ✦ Not much “risk taking” occurring in marketplace
- ✦ VC, like any asset class, is cyclical
- ✦ VentureWire & Venture Reporter reporting increasing # of deals

AV Fund I Performance

- ✳ Total Invested as of 2Q03 is \$14 Million*
- ✳ Current Value as of 2Q03 is \$4.4 Million
- ✳ Decrease in fund value from last year's annual meeting due to:
 - Write-down of Motiva due to down round financing
 - Write-down of Clairvoyant due to Voyence acquisition
 - Write-down of Taviz due to merger with Insevo
 - Write-down of Toolwire due to merger with Logilent
 - Write-off of Voice Access Technologies (will occur in 3Q03)
- ✳ 1999 is a very challenging VC Fund vintage; outlook is still uncertain

* *Companies currently held in portfolio (ie, does not include write off of Eletter and Ampent)*

AV Fund I Summary

- ✦ 3 Cos. have ceased operations since Fund inception (Eletter, Ampent, Voice Access Technologies)
- ✦ 3 Cos. have merged/acquired with others (Insevo/Taviz, Toolwire/Logilent, Voyence/Clairvoyant);
- ✦ 1 co. is in M&A discussions (Motiva)
- ✦ 1 co. may seek additional funding (Viewcentral)
- ✦ All remaining cos. have revenues and a plan to break-even or profitability

New Financings Since Last Year's Investor Meeting

- ✳ **Insevo:** \$30,653 additional bridge funding
- ✳ **Viewcentral:** \$50,000 additional funding of Series B-1 Preferred Stock
- ✳ We have invested over 3 years of Management Fee into the portfolio in order to protect against dilution; these proceeds will not be returned to the GP
 - Although this is rare behavior for GPs, we feel it is the right thing to do

There is Still Potential

- ✦ Remaining companies have experienced management teams
- ✦ Remaining companies have real customer demand for their product/service, with growing revenues annually
- ✦ Remaining companies have solid reseller or co-marketing relationships with named accounts
- ✦ Two companies have greatest potential for success: Toolwire and ViewCentral
- ✦ Biggest Risk: Dilution

Portfolio Assessment

Good Potential	Solid revenues, Strong management, Repeat customers, 3 rd party resellers or partners, Profitability target reasonable, Modest financing risk	ViewCentral, Toolwire
Modest Potential	Evolving revenues, Good management, broad customer base, limited 3 rd party deals, Profitability target in flux, Increased financing risk	Motiva, Insevo
Significant Loss/ Write-offs	<ul style="list-style-type: none"> ✳ Significant dilution, unable to influence management ✳ Out of business 	<p>Voyence (Significant Loss)</p> <p>Ampent, Eletter, Voice Access Technologies (Write Off)</p>

Company Overviews

We'll present high level summaries on 2 companies (Motiva and Insevo) and more detailed explanations of the 2 most promising companies (Viewcentral and Toolwire)

Motiva

Enterprise Incentive Management

- ★ Current ownership stake: 2%
- ★ 2002 Revenue: \$1.8 Million
- ★ 2003 Revenue Forecast: \$6 Million
- ★ YTD Revenue: \$1.4 Million (as of June 30, 2003)
- ★ Average deal size ~\$600k

- ★ New key customers include Mellon Financial, Mitsubishi, World Savings Bank, Clorox, Group 1 Software, First Tennessee Bank
- ★ Key partners include: IBM, ADP, Mercer
- ★ \$30 Million pipeline for 2H03

Insevo

Enterprise Application Integration

- ★ Current ownership stake: 2.5%
- ★ 2002 Bookings: \$3.4 Million
- ★ 2003 Forecast: \$4.6 Million
- ★ YTD Bookings: ~\$2 Million (as of June 30, 2003)

- ★ Merger will provide complementary technologies, strategy and distribution channels
- ★ Key partners include: Teradata, NEC
- ★ Key Customers include: Ford, British Telecom, WACKER Group, ITPlus
- ★ Experienced Management

Toolwire

Application Conferencing Services

- * Current ownership stake: 7%
- * 2002 Bookings: \$1.5 Million
- * 2003 Forecast: \$1.7 Million
- * YTD Bookings: \$900K (as of June 30, 2003)

- * Merged with Logilent in 2Q03, brought new revenue stream and reseller channel
- * Key customers include Xilinx, HP, Cisco, Mentor, Wily, Documentum, Schlumberger
- * Key partnerships with Cisco, Microsoft, Skillsoft, Global Knowledge

More on Toolwire

- ★ Current ownership stake: 7%
- ★ Sales
 - Verbal Approval on Cisco LiveSales Pilot \$10K
 - Vendor of Choice with HP for LLOD
 - Closed deals – FileNet Pilot, Wily Upgrade
 - August - \$44K billings against target of \$32K
- ★ Cisco Partnership Making HUGE Strides Forward
- ★ Marketing
 - LiveLabs ILT Pro 1.1 released featuring a new XML-oriented API
- ★ Engineering
 - Finished both BSCI & ILT Pro 1.1 2 weeks ahead of schedule
- ★ Finance
 - Receivable line being implemented with Pacific Business Funding.

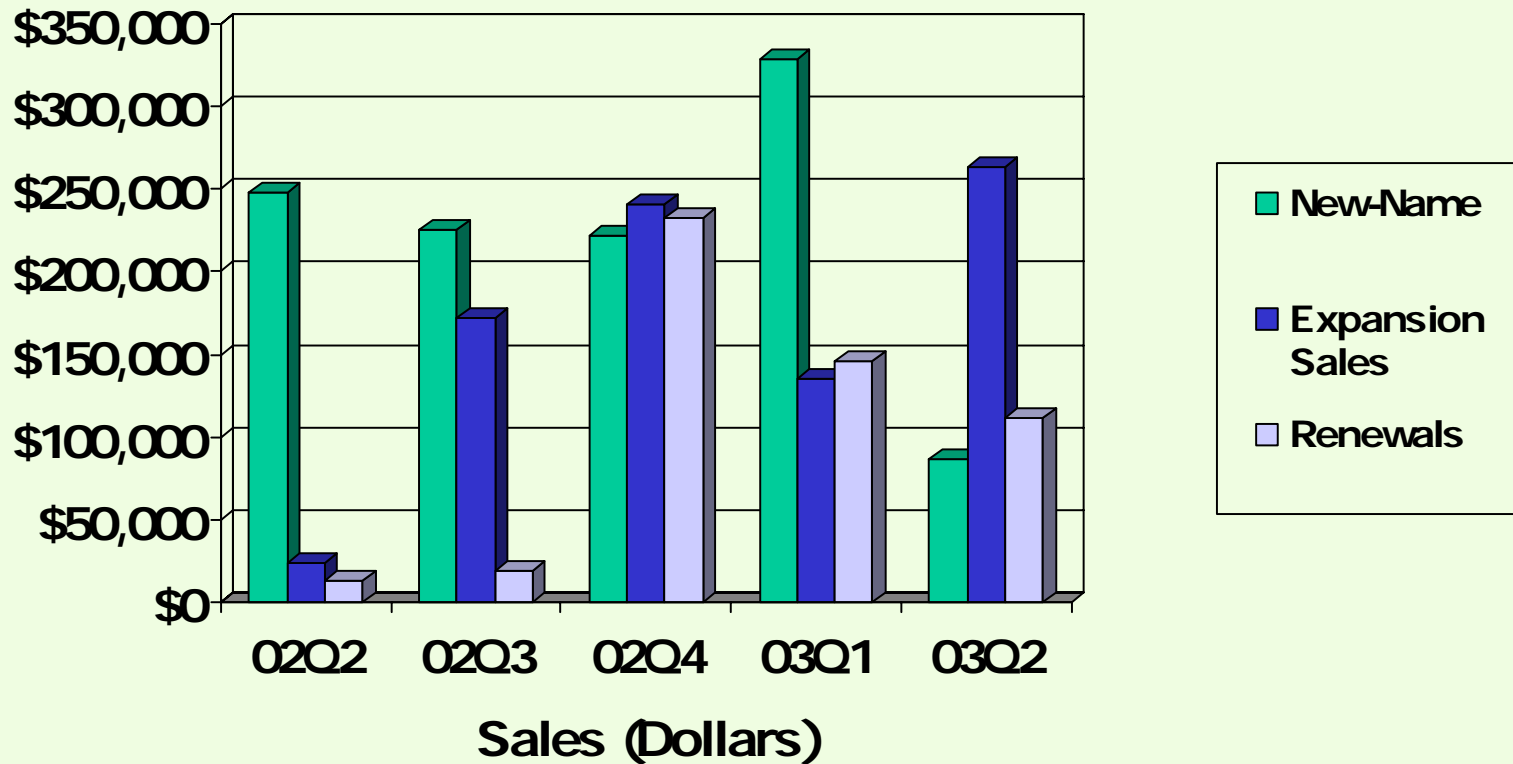
ViewCentral

Collaborative Event Management

- ✳ Current ownership stake: 13%
- ✳ 2002 Bookings: \$1.5 Million
- ✳ 2003 Forecast: \$2.9 Million
- ✳ YTD Bookings: \$1.4 Million (as of 8/29/03)

- ✳ Approximately 50% is recognized as annual revenue
- ✳ Signing 5+ new “named” accounts per quarter (Veritas, ADP, Computer Associates)
- ✳ Key partnerships with Placeware, Webex, Raindance, MCI, Centra

ViewCentral New vs. Existing Accounts



ViewCentral Summary

- ✦ 23 out of 27 customers renewed during the last five quarters
- ✦ Integrations to MCI and Raindance completed
- ✦ A customer is funding the Centra integration
- ✦ Frost & Sullivan presented ViewCentral with their "2003 Product Differentiation Innovation" award
- ✦ We continue to add functionality to our entire product suite
- ✦ Customers continue to sign multi-year agreements and often pay full term up front

Fund Summary

- ✦ Modest to Good potential for all companies
- ✦ 4 companies we can still influence (Voyence management team prevailed and we do not have information rights)
- ✦ We're not at the ½ way point yet (the Fund wraps up in 2009)
- ✦ Cautiously optimistic that we will extract returns similar to peer funds for 1999

Investor Site

- ✦ Link on the Upper Right Corner of the main Artemis Ventures Website
 - Annual Investor Meeting Information
 - Artemis Ventures Contact Information
 - Quarterly Investor Letters
 - Audited Financial Statements
 - Portfolio Company Updates

- ✦ Username: avinvestor
- ✦ Password: relations

Thank You