



AV LABS
IGNITE YOUR VENTURE

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**AUSTIN VENTURES LAUNCHES AV LABS TO MANAGE \$60 MILLION
FUND FOR LOCAL INTERNET START-UPS**

*Rob Adams Will Spearhead New Spin-Out Company Created to Accelerate "Time to Money" and
"Time to Market" for Emerging Internet Businesses*

AUSTIN, Texas – Sept. 29, 1999 – Austin Ventures today announced the formation of AV Labs, a new company which will manage a \$60 million early-stage capital fund for local emerging Internet businesses. A spin-out of Austin Ventures, this new fund will help emerging Internet companies accelerate their time to market at a pace that reflects Internet speed. AV Labs' guidance and support focuses on supplying the people, resources and capital needed to propel these Internet ventures to market. Criteria for AV Labs' backing include, but are not limited to, Internet-based businesses with partial or full management teams, business plans or prototypes. The Labs will focus on seed and first round investments of companies that will benefit from its resources.

Austin Ventures, the largest and most active venture capital firm in Texas and among the largest in the United States, has more than \$775 million of capital under management. The Austin Ventures investment team will continue to review and fund companies in all stages of their life cycles that fit their investment strategy.

Austin Ventures has recruited Rob Adams to spearhead the start-up efforts of the new company. Adams most recently served as a partner with TL Ventures in Austin, Texas. While there, he was responsible for moving the firm into early stage investments, including funding Internet companies Ineto and Triactive. Adams also spearheaded local marketing for TL Ventures, including creation of the firm's innovative "Start Here" interactive workshops.

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"Some of Austin Ventures' biggest successes have been from companies we funded early and followed through their life cycles," said John Thornton, general partner with Austin Ventures. "AV Labs is a blend of great ideas, talented entrepreneurs, and experienced senior managers. The Lab will provide marketing, operations, finance and development talent to catapult companies into markets quickly and effectively."

Ross Garber, co-founder of Vignette Corporation, the leader in Internet Relationship Management solutions, commented on the AV labs strategy, saying "In today's Internet economy, it's no longer good enough for venture capitalists to just provide early stage capital. Entrepreneurs just don't have a prayer unless they pass through company formation at light speed because today's scarce resources are access to talent, executives, and world-class advisors. The AV Labs strategy is a wonderful platform that can really increase the chances of entrepreneurial success."

In addition to working with-start ups for the past 18 years, Adams has extensive management experience with category-leading companies including Pervasive Software, Business Matters, and Lotus Development. As vice president of worldwide marketing for Austin based Pervasive, Adams was instrumental in driving the company to leadership in the web enabled and handheld database space. He also was co-founder and chief executive officer of Business Matters, developer of Cashe, a critically-acclaimed content based financial modeling package. He was an early employee of Lotus Development, joining shortly after its IPO. During his nine-year career there, he held numerous sales, marketing and general management positions, was instrumental in launching Notes, and driving revenues passed the billion dollar mark before acquisition by IBM. Adams is also an adjunct professor of Entrepreneurial Studies at the University of Texas' Graduate School of Business. He holds a bachelor of science degree in engineering from Purdue University and a master of business administration degree from Babson College.

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