



AV LABS
IGNITE YOUR VENTURE

FOR IMMEDIATE RELEASE

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AV LABS CLOSES FIRST FUND OF \$60 MILLION

Initial portfolio companies include Covasoft, Ireturnit.com, MediaPrise, Webtaggers

AUSTIN, Texas – November 22, 1999 – AV Labs, the new spin-off fund from Austin Ventures, announced today the closure of its first fund of \$60 million. Additionally, AV Labs announced investments in early stage ventures Covasoft, Ireturnit.com, MediaPrise and Webtaggers. The fund focuses on seed and first round Internet companies delivering business-to-business, business-to-consumer, applications and infrastructure products and services through the Internet. AV Labs focuses on companies where its differentiation – executive operating talent and experienced entrepreneurs – makes a significant difference in a company's time to market.

“AV Labs brings together entrepreneurs and experienced executives to get compelling, interesting ideas to market faster,” said Joe Aragona, general partner of Austin Ventures. “AV Labs is changing the way companies get to market the same way the Internet has changed the way business is conducted.”

Additionally, AV Labs' Web site went live today, www.avlabs.com, a valuable resource for companies seeking information on start-up process. This site includes full details on AV Labs' strategy, people, resources and an automated system for submitting business plans and resumes. The site also contains valuable material and resources for entrepreneurs engaged in starting businesses.

“The quality of our initial investments, size of the markets they compete in, depth of the management teams and value AV Labs contributes confirms the demand for the unique value proposition we deliver,” said Rob Adams, managing director and founder of AV Labs.

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AV Labs' First Fund Announcement

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Current investments include the following:

Company: Covasoft

Founders' Backgrounds: Tivoli and BMC

Market Space: E-commerce application enablement

AV Labs' role: VP of Marketing, seed funding and advisory role by AV Labs fellow Mark McClain

Company: MediaPrise

Founders' Backgrounds: IBM and Motorola

Market Space: Web multimedia content management

AV Labs' role: VP of Marketing, seed funding and advisory role by AV Labs AV Labs fellow Mike Turner

Company: Webtaggers

Founder's Background: Activerse

Market Space: Web in line messaging

AV Labs' role: CEO, seed financing and advisory role by AV Labs fellow Phil Siegel

Company: Ireturnit.com

Founder's Background: AV Labs internally generated

Market Space: Logistics support for e-commerce vendors

AV Labs' role: Seed financing, full interim management team

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