UPDATA VENTURE PARTNERS

Investors in Growth Stage Information Technology and Communications Companies

Press Release **August 14, 2002**

V3 Systems Secures $11.5 Million in Series A Venture Funding

Strong Syndicate to Fuel Aggressive Global Sales and Marketing Expansion and New Product Extensions for Leading Supply Chain Execution Company

CHARLOTTE, N.C. — August 14, 2002 — V3 Systems, the recognized leader in providing innovative enterprise supply chain execution and warehouse management applications for automating business processes and providing supply chain visibility across global distribution networks, announced today it has received $11.5 million in a Series A private placement from four top-tier Mid-Atlantic-based venture firms. Sterling Venture Partners led the round with Draper Atlantic Management, SpaceVest, and Updata Venture Partners all participating in the syndicate. Hyde Park Capital Advisors of Tampa, Fla. served as V3 Systems' investment bank in this offering.

V3 systems

The round, which was significantly oversubscribed despite current market conditions, is among the largest Southeast placements in 2002 and a notable private placement in the national enterprise supply chain execution and warehouse management software sector. It indicates investors' validation of V3 Systems' capabilities to become a leading provider of supply chain execution software (SCE) to an underserved global market. "With a strong entrepreneurial management team, highly differentiated products, scalable business model, 'Blue Chip' customer base, and large market opportunity, we feel V3 Systems is well positioned to move to the forefront of the SCE space," stated Brian Hirsch, Principal, Sterling Venture Partners.

The proceeds of this financing provide V3 Systems the capital necessary to expand global sales and marketing campaigns, increase product development commitments, and support international deployment of its supply chain and warehouse management software, which has seen wide acceptance in the U.S., European, and Asian markets.

"V3 has more recently shown its ability for substantial growth, with 150% actual and 50% estimated growth for 2000-01 and 2001-02 respectively," said Jonathan Sroka in the AMR Research Alert, August 8, 2002. [AMR Research is the Boston-based strategic advisory firm.] "Using the Microsoft platform, V3's strategy is to present itself as a viable alternative for Tier 2 and Tier 3 installations by capitalizing on scalable hardware, while providing a more manageable installation and a flexible configuration for greater market appeal."

"I am excited to share these fantastic results with our employees, our partners, our customers, and our prospects. The investment in V3 Systems is tangible recognition of our capability to create and implement a product of value. This financing will enable V3 Systems to enter new markets with the features and functions our customers desire," said Ashley Campbell, president and chief executive officer of V3 Systems. "Since our inception, V3 Systems has proven its ability to turn opportunity into reality. Through innovative software, rapid installation, and attentive service we have been able to drive a strong return on investment and shareholder value for our customers."

V3 Systems makes, markets, and installs enterprise supply chain execution applications that offer a wide variety of functionality, including modules that manage receiving, multi-owner inventory management, order management, RF-directed picking and packing, shipping, billing, querying and reporting. V3 Systems also accommodates multi-tiered Web-based supply chain visibility through the "V3 Digital Dashboard," which allows anyone with a secure login to view supply chain information, key performance measurements and the disposition of shipments from anywhere they have access to a Web browser.

V3 Systems' customers include Tier One and Two blue chip manufacturers Compaq, Dell, Nokia, Visteon, Alcatel, Nortel, Rheem, Furman Foods, Dillen Products, Bonset America, Goulston Technologies, All-Clad MetalCrafters and leading third party logistics concerns, Eagle Global Logistics, TNT Logistics, USCO Logistics, Applied Textiles, MagRabbit, Robertson Marketing and Signature Distribution.

"In today's very tough capital markets, it is truly gratifying to have garnered this level of investment, especially from venture funds known for their shrewd choices," Campbell continued. "Sterling Venture Partners, Draper Atlantic, SpaceVest, and Updata clearly recognize the enduring value V3 Systems brings to the enterprise supply chain execution applications market, see the expansive market opportunities, and has taken an ownership position in what we all believe is today's leading company in the SCE space."

Hirsch commented, "As lead for the syndicate, Sterling Venture Partners has found in V3 Systems a company of remarkable leadership and rock-solid technology. Since its inception, and especially in the past two years, V3 Systems has experienced exponential growth, as it has won A-list customers on three continents. We have long sought companies of this caliber and welcome V3 Systems to our growing list of portfolio companies."

About V3 Systems

V3 Systems is the recognized leader in providing innovative enterprise supply chain execution and warehouse management applications for automating business processes and providing supply chain visibility across global distribution networks. Software from V3 Systems turns demand into revenue by optimizing logistics, warehouse management, manufacturing and enterprise distribution processes. Responding to an industry demand for Web-delivered enterprise applications and collaborative commerce, V3 Systems offers both traditional server-based supply chain execution solutions and flexibly priced, hosted solutions with the capability to deploy secure inventory and demand management functionality across multiple locations and business partner networks. V3 Systems provides global service and support for its solutions from locations in North Carolina, Texas, California, Florida, Singapore, and Australia. For more information about V3 Systems supply chain execution solutions visit www.V3Systems.com or call (877) 343-0057.

About Updata Venture Partners

Updata Ventures Partners is the venture capital and private equity Affiliate of Updata Capital, Inc., a leading investment bank specializing in mergers and acquisitions for the IT industry. The professionals at Updata Venture Partners have a highly successful history in industry operational roles and as investors in early stage technology companies. By leveraging the extensive network of Updata Capital and other strategic relationships, their primary objective and mission is to provide entrepreneurs the tools and management experience of the partners in building their companies into leadership positions within their respective fields. The firm has a primary emphasis on opportunities emanating from the convergence of information technology and telecommunications. For additional information visit www.updataventures.com.

About Sterling Venture Partners

Sterling Venture Partners is a $136 million venture capital fund focused on early-stage investments in businesses in the Mid-Atlantic and Midwest. With offices in Baltimore and Chicago, Sterling Venture Partners is affiliated with Sterling Partners, a private investment firm. Sterling Venture Partners focuses on opportunities in information technology, technology-enabled business services, education, healthcare services and healthcare technology. For more information about Sterling Venture Partners, visit www.sterlingcap.com.

About Draper Atlantic

Draper Atlantic is an early stage information technology venture capital firm based in Northern Virginia and an affiliate fund of the leading early stage information technology venture capital firm, Draper Fisher Jurvetson. Draper Atlantic and the Draper group of funds have developed a network of more than 200 highly successful portfolio companies with an emphasis on information technology. Draper Atlantic seeks entrepreneurs with the energy, vision, experience and desire to build great companies, and helps those entrepreneurs succeed through hands-on team building, partnerships, advice and support. For more information on Draper Atlantic see www.draperatlantic.com or Draper Fisher Jurvetson at www.dfj.com.

About SpaceVest

SpaceVest, a venture capital firm managing approximately $300 million across three funds, has attracted global institutional limited partners for over a decade. The firm, which pioneered investing in space-related technology companies, has evolved into a broader focus, which includes companies that leverage advanced technologies. SpaceVest typically leads expansion-round syndicates in US-based companies. For more information about SpaceVest, visit www.spacevest.com.

About Hyde Park Capital Advisors, LLC

Hyde Park Capital is a boutique investment bank that specializes in private equity offerings and mergers and acquisitions for middle market technology and healthcare companies. Hyde Park Capital is one of the fastest growing technology and healthcare focused investment banks in the Southeast and Mid-Atlantic regions of the US. The company is headquartered in Tampa, Fla. and is a member of the NASD and SIPC. For additional information about Hyde Park Capital visit www.hydeparkcapital.com.

Contact:
V3 Systems, Inc.
John Wagner
Indicium Communications, Inc.
(919) 821-1059
jdwagner@indicium.com

Source: V3 Systems