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PAR3 Communications Raises \$15 Million in "C" Round Led by Interwest Partners

New and existing investors fund PAR3, following major Fortune 500 customer wins in the telecommunications, financial services, utilities and travel industries

Seattle, WA – August 26, 2002 – PAR3 Communications, a leader in event-based notification solutions, announced today it has secured \$15 million in a "C" funding round led by InterWest Partners, a leading diversified venture capital firm. Investors in PAR3's earlier funding rounds, Nokia Venture Partners and Draper Fisher Jurvetson also participated in the recent investment. Steve Bowsher, a general partner with InterWest, will join the PAR3 Board of Directors.

PAR3 has more than tripled its customer base since last year, now working with Fortune 500 companies such as Capital One, Progressive, Household, Aquila and Cox Communications. These companies have integrated PAR3's interactive, outbound notification platform to communicate more effectively and efficiently with their customers on a one-to-one basis at every stage of the customer lifecycle, including applications that address service, marketing and collections issues.

Additionally, PAR3 continues to expand notification applications with its early customers including Northwest Airlines, Alaska Airlines, Puget Sound Energy and Quicken Loans as well as with its channel alliances Convergys, Outsourcing Solutions Inc. (OSI) and ICT Group. The increasing demand for PAR3's communication platform is evident; the company has already doubled its revenue in the first six months of 2002 as compared to all of 2001.

"Since PAR3's inception in 1999, the company has continually positioned itself as the leader in event-based notifications with proven enterprise deployments, solid results and the most sophisticated technology available in this emerging market," said Bowsher. "This new multi-channel communication solution addresses real businesses needs and with PAR3's most recent customer wins – especially under these challenging market conditions - it is clear there is an increasing demand for the solution."

PAR3's award-winning Intelligent Response Platform™ enables business to proactively communicate with customers about time-sensitive information at every stage of the customer/business lifecycle. The notifications are response enabled, allowing customers to immediately connect to a contact center representative, pay a balance due, speak an answer, or forward the information to others with a personal annotation – all from within the notification. As PAR3's platform is an integrated extension of an enterprise's data systems, such as billing, Web or customer relationship management systems, recipient responses are updated in near real-time, making the information available to the company for future communications.

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"The investment by InterWest Partners, one of the premier venture capital firms in the United States, coupled with the strong reinvestment by Nokia Venture Partners and Draper Fisher Jurvetson, comes at an important stage of our company's growth," said Nicholas Tiliacos, chief executive officer and president of PAR3. "Combined with the momentum we're seeing in the marketplace for our solution, we are well-poised to solidify our market-leading position."

PAR3 will use the funds to continue expanding its marketing, sales and development initiatives.

As an example of the PAR3 solution at work, Alaska Airlines uses the platform to send personalized phone messages composed of high-quality human voice recordings to communicate the details of each passenger's itinerary changes including airline, flight number, departure date, departure time and gate number. Recipients can use their telephone keypad to confirm the new schedule, connect back to an agent, or forward the message to others. Meanwhile, the PAR3 platform updates Alaska's reservation system with the results of the interaction.

While Alaska's agents can make approximately 500 calls per hour, PAR3 can scale to simultaneously contact 20,000 or more -- at a 66 percent savings. "I've done a lot of ROI studies for our technologies, and this is by far the quickest payback I've seen. And the payback is more than financial," Karen Wells-Fletcher, Manager of Network Operations, Alaska Airlines.

For more information about PAR3, please visit www.par3.com.

About InterWest Partners

InterWest Partners, founded in 1979, is a leading diversified venture capital firm focused on building long-term relationships with entrepreneurs and portfolio companies. With \$1.6B capital under management, InterWest's experienced partners bring together deep domain knowledge in medical technology, telecommunications and software. InterWest takes a long term, collaborative approach to venture funding, providing early stage and ongoing enlightened capital, management coaching and access to a broad network of resources. Examples of the firm's previous investments include ArthroCare Corporation, CIENA Corporation, Copper Mountain Networks, Inc., Corixa, Cor Therapeutics, Coulter Pharmaceutical, Cubist Pharmaceuticals, Lightera Networks (acquired by Ciena), PercuSurge (acquired by Medtronic), Silicon Graphics, SiTera, Stratacom (acquired by Cisco), Ventritex (acquired by St. Jude Medical), and Xilinx, Inc. InterWest Partners has offices in Menlo Park, California and Dallas, Texas.

About Nokia Venture Partners

Nokia Venture Partners is a leading global venture capital firm based in Menlo Park, California. Launched in 1998, Nokia Venture Partners has USD\$650 million under management and leads investments in early stage mobile technology companies around the world. The fund is backed by a number of value add limited partners and has a strong track record of leveraging its combined resources, experience and contacts to help build successful mobile businesses. The firm also has offices in Washington DC, London, Helsinki, Seoul, Hong Kong and Japan. For more information, visit www.nokiaventurepartners.com.

About Draper Fisher Jurvetson

Draper Fisher Jurvetson is a leading early stage information technology venture capital firm. Headquartered in Redwood City, California, Draper Fisher Jurvetson manages over \$2 billion in committed capital and has developed a large network of highly successful portfolio companies. Draper Fisher Jurvetson pursues a people/market/technology approach to venture capital investing, funding entrepreneurs with the energy, vision, experience and desire to build great companies. For more information, visit www.dfj.com.

About PAR3 Communications, Inc.

Seattle-based PAR3 Communications, Inc. is leading the next generation of CRM with its award-winning event-based notification solution. PAR3's solution enables businesses and their customers to participate in an active relationship through highly personalized, interactive notification messages. Businesses such as Northwest Airlines, Puget Sound Energy, and Quicken Loans use PAR3's technology to leverage their rich enterprise-level customer data and proactively contact their customers with timely, relevant information via telephone, email, pager, fax or other wireless device. For more information, visit www.par3.com.