

Dear Shareholders:

With 2002 behind us and 2003 well underway, I appreciate the opportunity to update you on the Company's progress and achievements.

2002 was a difficult year for businesses in most sectors, and particularly for companies dependent on technology spending and capital investment. The economic slowdown that began in the second quarter of 2001 and continued throughout 2002 forced most IT service providers to contract, which in turn increased pressure on operating margins. It also created unique opportunities for companies with a solid business plan, the ability to manage costs and a strong market position nationally.

NetVersant experienced a slight decrease in sales during 2002 but continued to invest and expand into new markets, strengthening our leadership position as a national provider to large multi-location customers. The first quarter of 2003 was a continuation of conditions prevalent in 2002. While some experts are predicting the beginning of an economic recovery in the second half of 2003, we are managing our business with a focus on maximizing operating results at current activity levels. This strategy has NetVersant well positioned, both locally and nationally, to take advantage of our strong position in the market once the inevitable recovery in technology capital spending begins. Key to our strategy is the recently completed negotiations to extend the maturity of our bank credit facility until May 2005. With this extension in place, NetVersant has the financial support necessary to capitalize on the growth opportunities we know exist for our Company.

OUR COMPETITIVE ADVANTAGES

With every passing year, NetVersant becomes better branded and more widely recognized as the premier infrastructure service provider, both by our strategic business partners and valued customers.

NetVersant's stability and reputation, in sharp contrast with many businesses in our industry, provides us with key competitive advantages:

- The Company's geographic footprint today encompasses 30 key markets nationwide.
- NetVersant provides a full range of complimentary services — network infrastructure, telephony, electronic security systems and wireless services.
- Our industry-leading reputation, earned through diligence, reliability and a company-wide dedication to be the provider of choice, has heightened over the past two years.
- Large multi-location customers recognize the benefits and efficiencies of NetVersant's national service model and our ability to meet their requirements with an extensive service offering.

STRATEGIC NATIONAL ENDEAVORS

NetVersant National, created in the first quarter of 2002, has evolved quickly into a major contributor to our bottom line and today represents the largest operating subsidiary of NetVersant Solutions with more than \$35 million in annualized revenues.

Our multi-location customers benefit from NetVersant's expertise in managing complex national projects, more simplified and efficient project status reporting via a single point of contact, the consistency of NetVersant's quality assurance process, and administrative time and cost efficiencies. For NetVersant, it enables us to maximize the organization and utilization of resources; centralize administrative, purchasing, billing and human capital functions; streamline deployment; monitor quality control; and provide unmatched service consistency.

With these customer service advantages, we anticipate that NetVersant National will continue to experience strong growth as additional multi-location customers engage the Company nationally as their service provider.

BUSINESS INFORMATION SYSTEM

NetVersant's Oracle initiative, which commenced in 2000, was completed in late 2002. An important step in fully integrating our operations and

standardizing management processes and controls, this business information system provides real-time management information for use in making informed business decisions. With every operating location on the same system, NetVersant can gather and evaluate information quickly, centralize key functions and operate more efficiently in 2003 and beyond.

ELECTRONIC SECURITY SYSTEMS

The U.S. Government's homeland security initiative, focused on protecting our country from future terrorist attacks, offers significant upside for NetVersant to participate in an extremely vital and revenue-generating endeavor.

Significant funding for homeland security by the Federal Government should drive growth in the electronic security systems (ESS) segment of our business. The United States in coming years will witness a dramatic change in how people access airports, schools, government buildings, office structures, hotels and other high-occupancy venues. The vast majority of government spending is currently in the planning stage and typically in the hands of consultants. Ultimately, however, enhanced security measures will begin to move to the implementation stage, offering tremendous opportunities for NetVersant. While the reasons behind this initiative are rooted in unfortunate events, the ability to provide timely, valuable services to this country's citizens is a very positive event for our Company.

In the corporate sector, decisions associated with ESS are generally moving to the same IT professionals who make decisions relative to the company's network infrastructure. NetVersant's excellent reputation in the IT infrastructure environment and our relationships with IT decision makers strategically positions us as a provider of choice for electronic security.

Further enhancing NetVersant's posture in ESS, our Company has been named the preferred national authorized installer for a standardized ESS system introduced to the marketplace by one of NetVersant's strategic business partners in early 2003. This packaged system, which combines cabling, closed-circuit TVs and cameras, and encompasses technology based on closed circuit twisted pairs of copper cable (CCTP), is powered by the same cable used in data networks. The purchasers of this system will in many cases be the same IT professionals who already know and trust NetVersant. As such, the introduction of a standardized ESS package with NetVersant named as the premier installation partner is a significant opportunity for our Company.

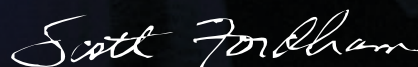
LOOKING FORWARD

NetVersant celebrated its three-year anniversary in February 2003. While economic conditions over the past two years have provided significant challenges, our Company has not varied from its original business model and has created an industry-leading company. Our core service lines are solid and in demand, strategic business partnerships are working to mutual advantage and NetVersant employs the industry's finest and most talented people.

While our management team is optimistic about its prospects, strong future growth is dependent on a number of factors beyond the Company's ultimate control — the economy, technology capital spending budgets and geopolitical events. Regardless, our focus will continue to be on the successful strategies employed to date: A strong multi-location service model, fully integrated and efficient operations and superior customer service.

On behalf of NetVersant's Board of Directors, I offer my continued appreciation for your confidence and support. Please let us hear from you with questions, comments or customer referrals as we seek to make NetVersant Solutions an even greater organization in 2003 and beyond.

Respectfully,



Scott L. Fordham
Chairman & Chief Executive Officer

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ELECTRONIC
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