



PROGRESS REPORT **APRIL 2001**

IN BUSINESS

NETWORK
INFRASTRUCTURE

SECURITY **AND**
ACCESS CONTROL

WIRELESS

GET CONNECTED.



DEAR CUSTOMERS, EMPLOYEES AND INVESTORS:

I am pleased to update you on NetVersant's progress and key developments. The first four months of 2001 focused on operations and integration. Our management team has utilized this timeframe to look inward and execute on the key programs we have initiated to build a fully integrated organization. We also pursued the timely implementation and enhancement of our corporate communications tools, including our business information system, corporate network project and netversant.com web site.

Business Information System

We have made significant headway with our web-based Oracle business information system (BIS). We have embraced this more sophisticated and structured real-time management information tool as an operational cornerstone. For NetVersant, the bottom line is simple: to manage, we must measure. Our Oracle business information system enables us to gather and evaluate a wide range of information, from the profitability of national sales accounts to how timely our project managers bill customers. This is an important strategic management asset that will be valuable to NetVersant's entire management team. Our plan is to deliver this system throughout NetVersant by the fall of 2001.

Corporate Network Project

Concurrent with our BIS progress, NetVersant is implementing a virtual private network that ties together our operating locations under one secure communications platform. This network uses the Internet and encryption technology to create a more cost-efficient network to transfer data and improve communications within our organization — an element critical to our rapidly expanding national business. It is also the infrastructure over which our web-based Oracle application and day-to-day business communications will travel.

www.netversant.com

Before launching our web site last spring, we identified its key objectives:

- To create general awareness about our ever-expanding geographic footprint;

- To provide location and key contact information;
- To showcase our service platforms — network infrastructure, security and access control, and wireless;
- To highlight the benefits of joining a national leader; and
- To serve as an on-line recruiting tool to more efficiently direct the high volume of inquiries we receive regarding employment opportunities.

Through continued enhancements, NetVersant's web site has become our primary communications vehicle, targeting investors, customers, employees, potential acquisition candidates, employment applicants and the general public. We encourage you to use this tool as the most efficient way to follow NetVersant's progress and learn about our services, locations and employment opportunities.

Corporate Culture

While not a formal communications medium, our corporate culture does communicate to various NetVersant stakeholders. Beginning with our integration process and incorporated in our day-to-day operations, the Company's mission is to create a culture where solid values govern how we treat each other, resolve issues, interact with customers and build trust. We encourage open communication with and between our dedicated employees, clients, strategic partners and suppliers.

At all levels, we emphasize integrity, honesty, respect, job empowerment and opportunity as the Company's core values, collectively creating a positive and productive work environment. By practicing these core values in all aspects of our business, NetVersant has attracted the most committed employees, created superior strategic alliances and forged solid customer relationships.

Operational Developments

Since the beginning of the year, several important operational developments have taken place at NetVersant:

- **Human Capital.** With our 401(k) plan and company-wide benefits program in place, our Human Capital efforts are now focused on recruiting and training. Reflecting a commitment to employee development, NetVersant recently added a Director of Technical Training

in Southern California, a position instrumental to our pursuit of a NetVersant Network Certification that will exceed current industry standards.

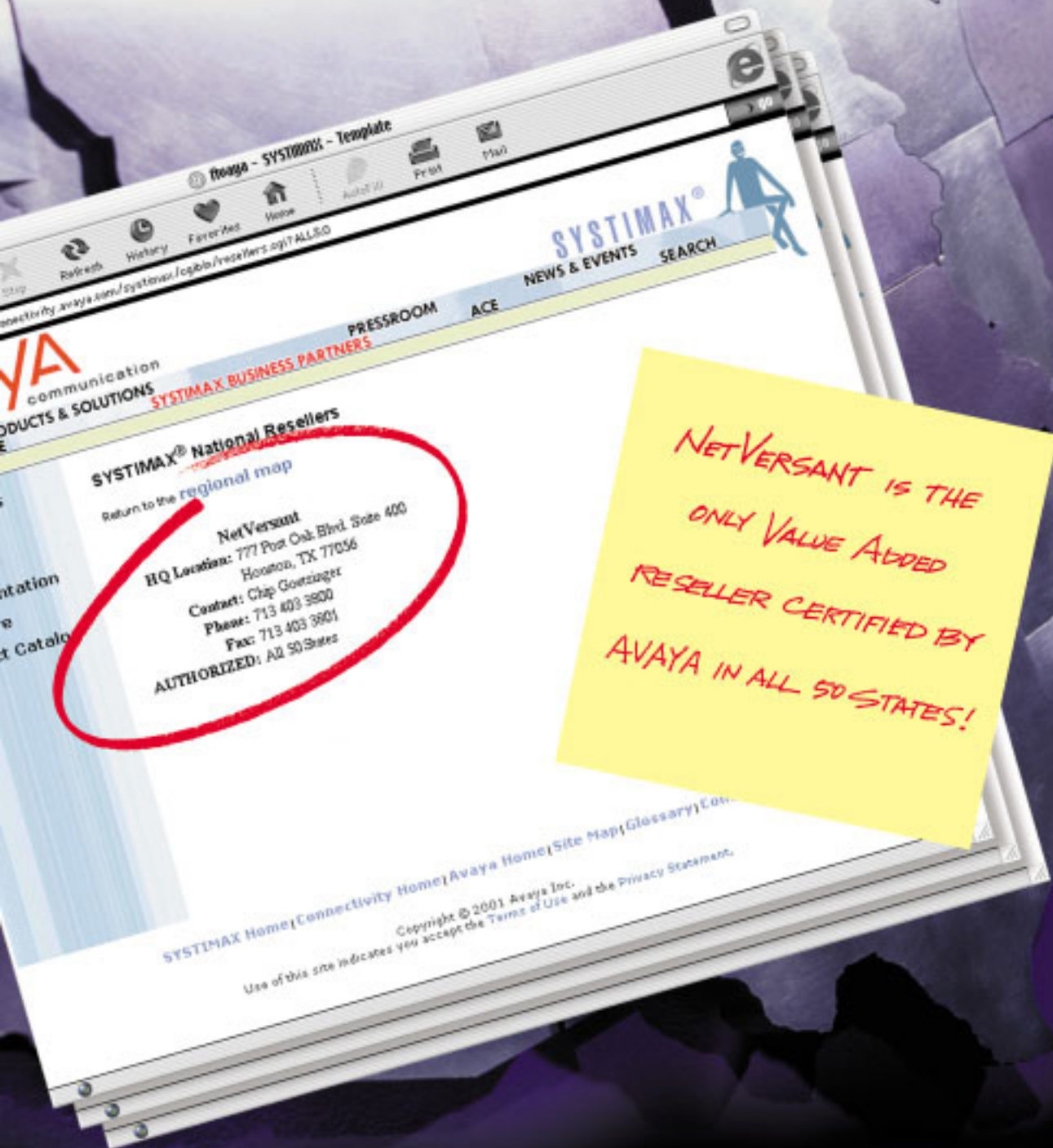
- **National Sales.** NetVersant has responded to a number of significant requests for proposal from potential national customers. Each of these opportunities is a vote of confidence in NetVersant's ability to execute on our business plan and recognition of NetVersant's national footprint, brand and quality. No other company encompasses these collective attributes.

- **Acquisition Activities.** Following significant acquisition activity in the last quarter of 2000, we used the first part of this year to concentrate on integration and operations. With that said, we have an eye on specific strategic markets and continue discussions with acquisitions candidates in these locations. We are also investigating cost advantages of opening new operations in selected markets versus the acquisition of existing businesses. This approach may prove to be more cost efficient in areas where we have strong customer relationships tied to existing operations.

Closing Comments

While the recent economic uncertainty has been challenging to some, NetVersant has seized the opportunity to expand our market share, acquire experienced personnel and enhance our operations. With scope, scale and financial strength, NetVersant is strategically positioned to pursue our goal of offering our core technology solutions — network





infrastructure, security and access control, and wireless networks — at every NetVersant location across the country. As of April 2001, NetVersant has a full-service presence in 25 markets that have achieved run-rate revenues approaching \$350 million. Without question, our business plan is more compelling than ever, backed by a recognized brand and critical mass.

On behalf of the Board of Directors, I offer our appreciation to our shareholders, employee teams,

customers and strategic partners for your confidence and support. As always, your comments and suggestions are encouraged.

Respectfully,

Scott Fordham

Scott L. Fordham
Chairman & Chief Executive Officer

 **NetVersant**
network solutions for an e-world

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NetVersant™

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ABOUT OUR CULTURE

At NetVersant, we value our dedicated employees, clients, strategic partners and suppliers. Reflecting our commitment to a positive work environment, the Company emphasizes a "can do" attitude at all levels. NetVersant's culture incorporates key qualities that create an enjoyable environment:

- Integrity
- Honesty
- Respect
- Job Empowerment
- Opportunity

If this is the type of work environment you are seeking, we invite you to submit your resume on-line.

[Click Here to Submit Your Resume](#)

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[What We Offer](#)

[Where We're Located](#)

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As communicated on our web site, NetVersant's culture is rooted in solid values that govern how we treat each other, resolve issues, interact with customers, build trust and encourage open communication with and between our dedicated employees, clients, strategic partners and suppliers.