

NETVERSANT SOLUTIONS, INC.

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PROGRESS REPORT MAY 2000

The first step in our national branding campaign is the launch of our web site at www.netversant.com.

As our Company continues to expand its geographic presence and service capabilities, our web site will be updated to include NetVersant's activities, progress and developments.



Dear Customers, Employees and Investors,

NetVersant Solutions' initial operations are on track with expectations and follow the course we outlined in our operating plan and long-term strategy. We have focused our efforts on operational integration, acquisitions and positioning NetVersant to capitalize on the tremendous demand we see for a national provider of network infrastructure solutions. Much has happened since we formally began operations as NetVersant on February 17, and I am pleased to update you on the Company's activities, progress and developments.

Completion of Private Placement Offering and Credit Facility

The private placement common stock offering was successfully completed on April 4, 2000. The offering was oversubscribed, raising \$25.2 million, and demonstrates investor confidence in NetVersant's concept and strategy. We are excited to have a very strong group of "new" investors who share our vision for this Company and recognize the opportunities associated with our industry.

On March 30, we completed the syndication of our \$100 million credit facility. Four large international banks joined Bank One, forming a strong banking group that will help finance our future growth.

Development of Strategic Partnerships

The strength of the NetVersant investor group is demonstrated by the significant investment made by a senior management group from Hines, an international real estate firm that owns or manages more than 70 million square feet of real estate across the United States and in eleven foreign markets.

NetVersant and Hines have agreed in principle to enter into a three-year strategic alliance. The terms of this alliance include Jeffrey C. Hines, President of Hines, joining our Board of Directors and our two firms pursuing mutually beneficial business relationships that we believe will result in significant new revenue sources for our Company. As one of the world's largest real estate firms, with thousands of tenants, Hines opens yet another new and under-served market — multi-tenant high-rise office buildings.

In addition to the Hines alliance, we are continuing discussions with several riser management companies. These companies have contractual arrangements with numerous real estate owners and property management companies (such as Hines) to upgrade or replace the vertical network physical infrastructure in commercial office buildings across the United States. With commitments to upgrade millions of square feet of rentable space, NetVersant's strategy is to become the preferred service provider to these riser management companies. We believe these services will be a source of significant continuing growth for our Company.

NetVersant is also formalizing and enhancing our strategic arrangements with key technology leaders, including Lucent Technologies, AMP and NORDX/CDT. Ranking among the largest buyers of their materials and supplies, NetVersant is further developing relationships with these manufacturers to ensure that our customers benefit from early access to new technologies, superior warranty arrangements and premier technical service. Finally, we are in late-stage discussions with several large national distributors, companies such as Anixter and Computer Supply Corporation, that inventory and deliver communications and cable products to our companies. When finalized, we anticipate that these enhanced relationships will provide NetVersant with significantly improved cost advantages.

Acquisitions Update

Our strategy to expand our scope through acquisition is proceeding on schedule. NetVersant has signed letters of intent to acquire companies with operations in seven new markets located in the Southeast, Mid-Atlantic, Southern California and Northern California regions. These pending acquisitions, with more than \$55 million in annualized revenues, increase NetVersant's run-rate revenues by more than 38% to over \$200 million. Geographically diverse, these companies deliver a significantly broader national presence, strong operating performance, excellent leadership and technological expertise that complement our existing operating companies. We expect to complete these transactions over the next 30 to 60 days. Based on the acquisition discussions underway currently, we anticipate a consistently high level of acquisition activity for the foreseeable future.

Integration and Operations

Meeting our overall objective to become the leading national provider of network infrastructure solutions requires that we fully integrate our operating locations and capitalize on our growing national presence. While NetVersant has been successful in our cross-selling efforts thus far, we will realize the full potential of being a national firm when we have fully integrated our operations under the NetVersant brand name. This effort is ongoing and we anticipate an official national launch of the NetVersant brand during the summer. This will be a coordinated effort to maximize our visibility with the business media, industry press, current and prospective customers, acquisition candidates and the industry itself.

NetVersant is also heavily focused on operational integration as well. Our companies are moving toward common operating methodologies and performance measurements that will create consistency across our operating locations. We are moving quickly, but prudently, in selecting the systems and management tools that will best support our operations and growth both today and in the future.

Looking Forward

In conclusion, with an excellent group of companies agreeing to join NetVersant and strategic relationships, such as that with Hines and the industry's leading manufacturers and distributors, giving us momentum for the future, we are excited about our initial progress. With this positive outlook for NetVersant, I look forward to reporting continued achievements and key developments in the coming months.

As always, the NetVersant team welcomes your comments, questions and suggestions, and we offer our appreciation for your continued support.

Respectfully,



Scott L. Fordham
Chairman & Chief Executive Officer