

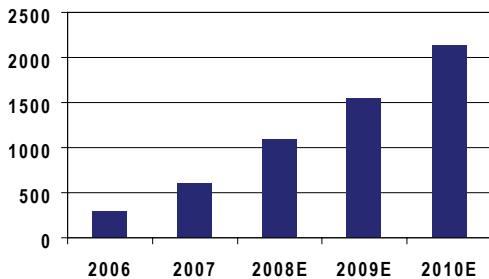


<b>Corporate HQ:</b>	<b>Hong Kong, China</b>
<b>Industry:</b>	<b>Media Services</b>
<b>Exchange / Symbol:</b>	<b>OTCBB: NWCN</b>
<b>Market Capitalization (5/30/08):</b>	<b>\$121.6 million</b>
<b>Shares Outstanding:</b>	<b>71.5 million</b>
<b>52-Week High:</b>	<b>\$3.05</b>
<b>52-Week Low:</b>	<b>\$1.35</b>

## Business Description

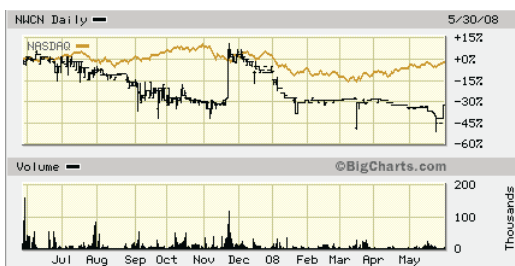
Network CN (OTC BB: NWCN) is a media company operating a growing advertising network of roadside LED digital video panels, mega-size video billboards and light boxes in major Chinese cities. Through a new agreement for 2008 with Beijing All Media and Culture Group (BAMC), Network CN is also operating more than 10,000 additional outdoor and in-building advertising screens in Beijing. Formerly operating in two additional business segments, Network CN now focuses on its Media Network as the 2008 Summer Olympics approach.

**China's Out-of-Home Advertising Market 2006-2010 (in US\$Millions)**

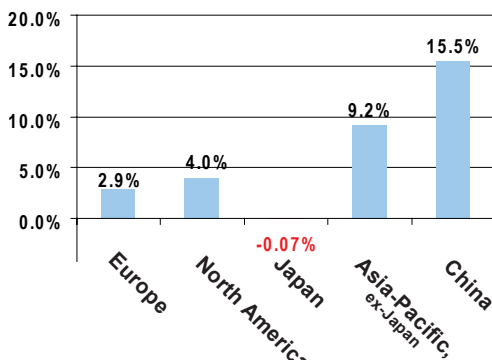


\* Source: Merrill Lynch industry research

**One-Year Chart: NWCN Compared to the NASDAQ Index**



**Global Advertising Growth Rates**



Source: Lehman Bros. industry research

## Summary Investment Thesis

- **Macro Trends.** China's trend toward privatization is resulting in a nationwide push to modernize business, services, transportation and the commercial and media infrastructure, resulting in unparalleled economic growth. Robust increases in per-capita personal income have accelerated growth in both essential and discretionary consumer spending.

- **Target-Rich.** China has more household TVs, higher newspaper circulation, more mobile phone users, and more Internet users than any other country in the world. Investment bank CLSA Asia-Pacific Markets recently pegged China's consumption growth rate over the last 10 years, inflation adjusted, at 136%, with middle-class per capita income growing at approximately 20% per year.

- **External Catalysts.** The 2008 Beijing Summer Olympics and the 2010 World Expo in Shanghai are bringing global attention and thousands of affluent foreign visitors to China.

- **Strong Presence in Fastest-Growing Advertising Segment.** With advertising spending in China growing at approximately a 15% compounded annual growth rate, Network CN has a prominent out-of-home (OOH) advertising footprint. OOH is a segment which is projected to experience a compound growth rate of approximately 28% per year between 2008 and 2012.\*

- **Growing Network.** With more than 12,984 roadside and in-building LED video panels and 14 mega-size video billboards already permitted and/or operational, Network CN is constantly negotiating for permits to operate panels in additional locations. The Company's media network revenues are expected to begin ramping up in the second half of 2008.

- **Strong Competitive Position.** Network CN maintains a strong competitive position with deep (and deepening) relationships with the local, regional and national government agencies that issue permits for outdoor advertising displays. The permitting process is a significant barrier to entry for would-be competitors. There are limits to the number of premium locations for displays, and working with the appropriate authorities through the permitting process is critical.



- **First-Mover Advantage.** With a limited number of available permits, Network CN has established a first-mover advantage. The first to market with a nationwide network may capture a dominant market share and command premium pricing from top-tier global and domestic advertisers.
- **Strong Management Team.** The Company is led by a strong management team, with each member having a lengthy background and valued expertise in management of service and media-related businesses.
- **Recent Financing.** In December, 2007, Network CN signed a \$50 million financing agreement with affiliates of hedge fund Och-Ziff to support the growth of its media network.

## ▸ Corporate Overview

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### Company Background

Based in the Hong Kong SAR of the People's Republic of China, Network CN ("NWCN," "the Company") was originally formed as a Delaware corporation in 1993. It was previously operated by different management teams, under various operating names, pursuing a variety of business ventures. The most recent former name was Teda Travel Group, Inc. The Company changed its name in August 2006 to Network CN, to better reflect the new and expanded management team's focus on media opportunities in China.

### The Macro View

With China's modernization has come a rapid rise in its consumer market, including its rapidly growing media and entertainment industries. China is rapidly becoming an attractive target for both domestic and global businesses with goods and services to sell.

Two events are helping propel China's levels of spending on advertising. The 2008 Beijing Olympics are bringing worldwide attention to China, as well as necessitating a comprehensive upgrade to the nation's transportation and other business infrastructure, including media. The second event is the World Expo Shanghai, which opens in 2010. Merrill Lynch expects a compound annual growth rate in excess of 19% in China's spending on advertising of all kinds between 2005 (when China's ad market, not counting agencies, totaled an estimated \$11.6 billion) and 2010.

### The Advertising Opportunity

Among the fastest-growing segments of the China advertising market, is out-of-home ("OOH") advertising, with the advantages of relatively modest content production costs, less regulatory exposure, low maintenance costs and centralized operational requirements made efficient by computers and other technology solutions. Industry analysts (e.g., Merrill Lynch) look for OOH advertising spending in China to grow at a 28% compounded annual growth rate between 2008 and 2012. Network CN is creating a nationwide network of roadside LED video panels and mega-size video billboards, some with full-motion video capability, that covers China's most attractive and upscale major metropolitan markets.

## A Business Model Aimed at Profits

**Appeal to Both Advertisers and Consumers** – With its core portfolio of roadside LED video displays and mega-size LED video billboards, Network CN is offering a media product that appeals to both advertisers and consumers. When the build-out is complete, the Company’s many thousands of digital displays will offer advertisers an opportunity to distribute an extremely high volume of impressions through a centrally controlled network covering the major and second-tier cities in China. This capability offers the advertiser a compelling “CPM,” (cost per thousand impressions). Meanwhile, market surveys suggest that consumers in China find animated LED display advertisements more attractive and memorable than traditional billboards.

**Nationwide Network** – The current market for out-of-home advertising, particularly roadside and mega-size digital displays, is highly fragmented and regionalized, mostly serving local markets. Network CN’s vision to build a nationwide network that leverages two key factors: [1] Global brands prefer to contract with a single provider serving a large market; and [2] A national network can command premium pricing. Network CN’s network of displays currently spans Shanghai, Beijing, Wuhan, Nanjing, Hangzhou and Qingdao. Other major cities targeted include Shenzhen, Changsha, Chongqing, Zhenzhou and Xiamen.



**Favorable Cost Dynamics** – The cost dynamics for installing and operating LED video displays offer a significant business opportunity, especially on a larger scale. The use of centralized computer technology to operate and program the network makes the operational infrastructure highly scalable, so that relatively fixed operating expenses will support increasing numbers of displays and revenues, resulting in increasing levels of operating profit as the Company grows.

**Flexibility** – Built into Network CN’s digital display advertising network is the Company’s ability to customize an advertising campaign for a particular client. Its portfolio contains a mix of mega-size video billboards, roadside LED video displays and, through its renewable cooperative agreement with BAMC, 11,000 in-building displays in Beijing.

**Strong Competitive Position** – Network CN has a strong competitive position within the out-of-home advertising market. Legacy billboard or display providers, especially local operators, have frequently tried to bypass getting the proper permits from local government agencies, and government sweeps to eliminate non-permitted displays have resulted. Network CN actively seeks to build strong relationships with the local governing bodies. Since only a limited number of local government permits are available in any single area, Network CN benefits from these relationships amid purges of non-permitted billboards.

For would-be competitors, the barriers to entry are high. There are limits to the number of prime locations for roadside and mega-size displays. Frequently the permitting process requires approval from multiple agencies, especially where the advertising enterprise seeks to have a presence in more than one locality. Most major cities are consolidating their OOH advertising – eliminating older and non-permitted displays and replacing them with fewer, high-revenue LED displays such as those offered by Network CN.

**Validation of Model Underway** – Network CN currently has approximately 13,000 advertising panels of various kinds and formats permitted or already in operation. News since early 2007 reflects the Company’s success in building its business, gaining permits and executing installations, as follows:

- **January, 2007:** Acquisition of 100% of privately held Quo Advertising Ltd., a China-based advertising agency. Quo is engaged in advertising design, production, public relations and event management for approximately 30 domestic and international client companies. The acquisition of Quo provides an element of vertical integration and broadens Network CN’s reach into the advertising marketplace.
- **February:** Agreements to operate 200 outdoor LED video panels in the Hanpu District of Shanghai, China’s most populous city, and another 100 in Nanjing.
- **March:** Agreement to manage and operate 120 roadside LED video displays and two mega-size displays in Wuhan, a city of eight million people. Revenues from this agreement began to flow to Network CN in the second half of 2007.
- **April, 2007:** Became the exclusive agent for 85 roadside LED video displays in Shanghai’s Lujiazui Finance & Trade Zone, which hosts some 31% of the foreign financial institutions operating in China.
- **May:** Became the exclusive advertising agent during a 5-hour time slot for two mega-size video display billboards at Century Plaza on Nanjing Road in Shanghai.
- **June:** Agreement to operate 52 outdoor two-sided rolling poster frame advertising panels in central Shanghai, 28 of which will be converted to roadside LED digital video displays.
- **August:** Addition to network of mega-size billboard in central Wuhan.
- **October:** Added two mega-size billboards in Beijing, including one of the city’s largest.
- **November:** Secured rights to 98 freestanding light boxes at new international terminal of Beijing’s International Airport; also signed \$50 million financing agreement with hedge fund giant Och-Ziff
- **December:** Added 950 advertising panels in Qingdao and 120 in Changsha.
- **January, 2008:** Announced a multi-million-dollar contract with McDonald’s Corporation for outdoor LED advertising in 2008 and 2009.
- **May:** Announced agreements with the largest media company in Beijing and State-owned enterprise Beijing All Media and Culture Group, adding more than 10,000 outdoor and in-building screens in Beijing to its advertising network during Olympic year 2008.
- **June:** Commercial launch of Network CN’s out-of-home media network.



## ▸ Management Team

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### **Godfrey Chin Tong Hui, Chairman and Chief Executive Officer**

- Joined NCN in 2001
- 1998-2000: Director of Operations, Finance and Development, Hotel Division, Hopewell Holdings, Ltd.; Executive Assistant to the Chairman, Chairman of the Executive Committee, and Group Financial Controller, Hopewell Holdings, Ltd.
- 1993-1998: Director of Finance, Operations, and Development, Mega Hotels Management, Limited
- B.S., Business Management, Chinese University of Hong Kong; MBA, Finance and Investment, University of Hull, England

### **Daley Mok, Director and Chief Financial Officer**

- Joined NCN in 2006
- 2001 to 2006: Director of DM Services, a business consulting firm
- Began career in auditing with Peat Marwick
- 20 years' experience with multinational companies, including Swire Group, the CLP Group, Digital Equipment Corp., CDH Properties, the Grosvenor Shaw Group, and the Grass Valley Group
- Member, Hong Kong Institute of Certified Public Accountants, and CPA Australia
- MBA, University of South Australia; DBA, University of Newcastle

### **Daniel So, Vice Chairman and Managing Director**

- Joined NCN in 2006
- 30 years of management experience in several multinational companies
- Actively involved in China trade since the early 1980s
- Former Vice Chairman and founder of a technology group serving media and entertainment
- Strong connections with Chinese officials and business partners
- B.S., Zoology Pre-Med, Washington State University

### **Stanley Chu, Director and General Manager**

- Joined NCN 2006
- 2002: United Commercial Bank, Underwriter
- 2004: Joined Librett Group, Beijing, V.P., Business Development
- Previously involved in many potential investments, including real estate, retail, franchising, brand building
- B.S., International Business, University of San Francisco

### **William Lee, Deputy CEO, Media Division**

- Joined NCN in 2007
- Participant in China projects and stationed in China since the early 1990s
- Over 10 years of management experience in the media and advertising industry, including central role as CEO of Quo Advertising Company Limited
- Consultant on print media publishing for multinational companies including Xintiandi, under Shui An Group, and SCMP Hearst Publications Limited
- Strong connections with regional advertising agencies and Chinese officials
- B.A., Accounting, City Polytechnic University of Hong Kong

## Selected Financial Data

SELECTED INCOME STATEMENT ITEMS *	Fiscal Year Ended Dec. 31,		Three Months Ended March 31,	
	2006	2007	2007	2008
<b>Revenues</b>				
Travel Services	4,342,124	26,140,355	2,375,828	8,458,482
Advertising Services	-	1,442,552	393,899	584,167
Total revenues	4,442,601	27,582,902	2,769,727	9,042,649
<b>Cost of sales</b>				
Cost of Travel Services	4,231,952	25,830,401	2,364,924	8,301,823
Cost of Advertising Services	-	2,795,188	246,682	3,437,630
Professional fees	3,260,103	5,612,810	2,887,490	1,221,303
Payroll	1,004,731	4,098,842	337,394	1,609,487
Total Costs and Expenses	9,515,590	41,990,807	6,006,574	15,820,973
Loss from Operations	(5,072,988)	(14,407,900)	(3,236,847)	(6,778,324)
<b>Other Income (Expense)</b>				
Total Other Income	61,729	36,095	8,158	28,383
Amortization of deferred charges and debt discount	-	4,866,351	-	11,790,530
Total Interest Expense	1,416	4,989,154	317	12,137,155
Net Loss Before Income Taxes and Minority Interest	(5,012,675)	(19,306,959)	(3,229,006)	(18,887,096)
Minority Interest	24,657	62,048	14,611	73,336
Income taxes	(6,984)	(7,668)	-	-
Net Loss from Continuing Operations	\$ (4,995,002)	\$ (19,306,579)	\$ (3,214,395)	\$ (18,813,760)
<b>Other Comprehensive Income</b>				
Foreign currency translation gain (loss)	3,480	61,817	(6,892)	609,318
Comprehensive Loss	\$ (4,465,226)	\$ (19,244,762)	\$ (3,221,287)	\$ (18,204,442)
Net loss per common share --				
basic and diluted	\$ (0.09)	\$ (0.28)	\$ (0.05)	\$ (0.26)
Weighted average shares outstanding --				
basic and diluted	52,489,465	68,556,081	67,520,718	71,418,201

### SELECTED BALANCE SHEET ITEMS \*

	December 31, 2007	March 31, 2008 (unaudited)
Cash	2,233,528	17,384,582
Total Current Assets	20,064,547	42,086,067
Total Assets	27,107,343	57,432,239
3% Convertible Promissory Notes Due 2011, net	12,545,456	42,045,203
Total Liabilities	20,780,493	48,026,189
Stockholders' Equity	5,978,976	9,127,580

\* Selected financial data only. Please see Network CN's filings with the Securities and Exchange Commission for full financial data for the periods indicated and notes thereto.

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### Forward-Looking Statements

This corporate profile contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements. The Company may experience significant fluctuations in future operating results due to a number of economic conditions, risks in product and technology development, the effect of the Company's accounting policies and other risk factors detailed in the Company's SEC filings. These factors and others could cause operating results to vary significantly from those in prior periods and those projected in forward-looking statements. Additional information with respect to these and other factors, which could materially affect the Company and its operations, are included in the Company's annual report on Form 10-KSB for the 2006 fiscal year and in other documents filed by the company with the Securities and Exchange Commission. This document is for informational purposes only, and should not be construed as a solicitation for the purchase or sale of securities. All factual information is believed to be reliable, but no guarantees are intended or implied as to accuracy and completeness. Any opinions expressed herein are as of the date given, May 23, 2008, and are subject to change without notice.