

Report VI

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**C-NES™
MARKETING**

New Marketing Brochure

The company is please to present it latest marketing brochure. To view press on the links provided below:

[H-NET™ THE WORKS](#)

The Challenge

By: Robert Spigno, President

Dear Shareholders,

It has been sometime since I have written to you and for that I do apologize. In this and subsequent letters I will attempt to shed light on many of our mutual concerns so that you may have a better understanding of the challenges before us.

ConectiSys has achieved many of the goals set forth by its founders, most prominent of these is the development of its commercial machine to machine bi-directional wireless network named H-NET™ for the automatic meter reading utility market, but not limited to the utility market. I am particularly proud of this achievement and wish to thank all of the participants for their exemplary efforts. To date, the development has achieved its advertised functionality In addition; the H-NET™ 6.0 cost reduction cycle signified the end of a long hard fought endeavor resulting in a competitive price point necessary for market entry. Our MeterSystem has out performed our expectations. Admittedly, the time and cost of accomplishing this was far greater than any of us had anticipated. However, because of these accomplishments, it is my firm belief that the Company is poised to prosper unlike any other time in its history.

So what next; It is my fervent desire to market and deliver our products and services to the utility market.

In order to do so, the Company will need to overcome its way of operations and move decisively to energy providers that have a perceived and real need for AMR.

The Company, in my opinion, has the best AMR product in the market today! So if that is true, what's wrong? Why isn't the industry falling all over itself to purchase this wonderful best of its kind technology? Why hasn't its management seized this opportunity and turned the Company around for its investors and why with all of the potential this product may perceivably yield is the stock trading at such low value?

Let's add it up; the Company has spent millions of dollars and some 12 years to develop its products and in doing so it has exhausted many of its resources. Its products, although rigorously tested, have not been certified by a third party within the utility industry. However, its H-NET™ Networks have received FCC approval. Its current management, although, highly versed in its industry, has been mainly absorbed in research and development not marketing for sales...there are billions of shares in its market of which there maybe more sellers than buyers and on top of this the Company is quiet.

Where to start; everything begins with the product. We have allocated the majority of our limited resources to marketing, targeting the best prospects with limited free of cost demonstrations that would provide for live product evaluation with customer participation. This would accomplish third party verification addressing network reliability and accuracy with an industry player and achieving what must be the first milestone in our push to revenue.

To accomplish this first milestone we must overcome some known's that have been plaguing our small sales staff. Time after time the potential client will say that they do not wish to be the first to deploy or be the Ginny-pig of new technology and in some cases will say how do we know that CNES will be around to warranty it products.

Fair enough, let's address each of these subjectively, when given the opportunity to demonstrate our products the Company believes that these issues may become secondary if not, we would propose to energy cooperatives and alike that no matter what the going concern, a licensing agreement with certain rights which includes remedies such as direct access to CNES developers, manufactures and offering incentives such as limited partnerships within their respective State would be more than enough to offset the perceived risks. There are several scenarios that can be applied to offset risk but the best will be the one the customer desires. It should be noted that these offers proposed if accepted should be considered "exclusive" a one time offer; simply stated, the cost for market entry.

The start of a long term industry awareness campaign begins with the product demonstration at installation with one caveat "client approval". The second milestone is to parlay off the demonstration proposal into contractual release at this juncture "no approval is required" this is accomplished by using the installed demonstration hardware and adding more plug and play meters forming a larger AMR network with hundreds or thousands of meters limited only by the size of the respective energy cooperative or energy providers customer base. Take a look at our [Demonstration Proposal Template](#) and [Pricing Brochure](#) for more information on this very important subject.

Achieving the Goal; I anticipate that with a single commercial contract and successful release of a minimum of fifty to one hundred MeterSystems to include future releases resulting in a significant AMR network that the utility industry at large will begin to take notice. If I am correct the first commercial release would be the basis for market penetration, with two or more such contracts the opportunity will be vertical. CNES along with its revenues and accrued contracts will have formed the basis for Wall Street to take notice setting the table for M&A offers and a stepping stone to the large cap markets. I believe these are doable within the next 18/24 months given the resources are made available in a timely manner to achieve these goals.

The Process; it has been my experience that you do not tell the deal what to do but that the deal tells you what to do, you just have to listen, the question is what is the best way of implementing the plan. Timing verse recourses are balls that must be juggled continuously if we

are to be successful in our endeavor. The intangibles address the critical nature of timing, in this case delivering a successful demonstration and pursuing contract is tantamount each bearing equal weight in this step by step process.

I am currently working closely with our advisors, attorneys and accountants who are carefully plotting the CNES long term strategy in support of the Company's twenty four month plan. I will follow-up with you in either a press release, 8K, supplementary report or in our next scheduled report July 10th. CNES is on the move. You may anticipate material changes within its structure and origination. It is my greatest desire to mangle our collective position to prosperity.

Respectfully yours,
Robert A. Spigno, CEO



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