

**Company Registration No. 4308840
(Delaware, United States of America)**

Phorm, Inc

Report and Financial Statements

31 December 2007

Phorm, Inc

Report and financial statements 2007

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Phorm, Inc

Directors and professional advisers

Directors

K Ertugrul
V Vahidi
D Dorman
C Lawrence
S Heyer

Secretary

D Pester

Registered Office

2711 Centerville Road
Suite 400
City of Wilmington 19808
County of New Castle
Delaware
USA

Bankers

HSBC Bank USA
National Association
5 Penn Plaza
New York
NY 10001

Solicitors

Nabarro LLP
Lacon House
Theobald's Road
London
WC1X 8RW
United Kingdom

Auditors

Deloitte & Touche LLP
London

Phorm, Inc

Board of directors

Kent Ertugrul, Chief Executive Officer

Kent Ertugrul, Chairman and Chief Executive Officer, has built up a number of businesses in finance and technology over the past 20 years. He started his career in investment banking, working at JP Morgan, Credit Suisse and Morgan Stanley before going into business on his own. His early ventures included Migs Etc, which offered tourists flights on Mig aircraft as the Soviet Union embraced market economics. Additionally, as director and chief financial officer, he oversaw the growth of Compass Technology into a leading PC-based voice mail company. In 1991 Compass merged with California based Octel Communications, which in turn was acquired by Lucent Technology.

Kent has worked with the same technology team for more than 17 years specialising in creating and developing technology to enhance social interaction. Prior to starting Phorm, Kent founded Life.com, a desktop software and online interactive diary, and Voxster, a company enabling instant messaging from email. Phorm was publicly listed on the London Stock Exchanges AIM market in 2004. Kent attended St Paul's School, London and holds a Bachelor's degree in Politics from Princeton University.

David Dorman, Non-Executive Director

David Dorman has been an advisor to the Company since July 2006 and a Non-Executive Director since 21 May 2007. He is currently senior advisor and partner at global private equity firm Warburg Pincus and was previously Chairman and Chief Executive Officer of AT&T Corp. Before that, he was Chief Executive Officer of Concert, the global venture created by AT&T and British Telecommunications. David serves as Non Executive Chairman on the Board of Motorola Inc, and serves on the Boards of CVS Corporation, Firethorn Mobile, LLC, and YUM! Brands, Inc.

Steven J Heyer, Non-Executive Director

Steven J Heyer joined the Phorm board as a Non-Executive Director on 1 October 2007. Mr Heyer is a seasoned and innovative leader, operator, marketer/brand builder and strategist and is currently the Co-Chairman and Chief Executive Officer of Fathom Studios and Vice Chairman of Mistral Acquisition Company. Mr Heyer was the Chief Executive Officer of Starwood Hotels & Resorts Worldwide from October 2004 until April 2007. Prior to joining Starwood, he was President of Coca-Cola Ventures and Coca-Cola Latin America from 2001 to 2002 and President and Chief Operating Officer of The Coca-Cola Company from 2002 to September 2004. From 1994 to 2001 he was President and Chief Operating Officer of Turner Broadcasting System, Inc., and a member of AOL Time Warner's Operating Committee. Previously Mr Heyer was President and Chief Operating Officer of Young & Rubicam Advertising Worldwide, and before that spent 15 years at Booz Allen & Hamilton, ultimately becoming Senior Vice President and Managing Partner. He is a member of the Board of Directors of Lazard Ltd and Lazard Group, Mistral Acquisition Company, the National Collegiate Athletic Association and the Special Olympics.

Christopher Lawrence, Non-Executive Director

Christopher Lawrence, Non-Executive Director, was appointed on 21 May 2007. He is currently Co-Head of Investment Banking, Rothschild Inc. (North America). Prior to joining Rothschild in 2005, Mr Lawrence was Chief Strategic Officer of Credit Suisse Group as well as Vice Chairman of Credit Suisse First Boston. He began his investment-banking career at Salomon Brothers in 1981.

Phorm, Inc

Board of directors

Virasb Vahidi, Chief Operating Officer

Virasb Vahidi, Chief Operating Officer, has oversight responsibility for global corporate operations, strategic planning, finance, human resources, and legal at Phorm. Virasb is an international business executive with a career encompassing senior finance, strategy and planning roles in global companies, including AT&T Corp. and American Airlines, Inc. Virasb was most recently senior vice president of corporate strategy and development at AT&T, where he was the financial architect of the AT&T/SBC Communications merger and the co-leader of the integration team. His responsibilities at AT&T included global mergers and divestments, strategic business and technology initiatives, the AT&T venture capital fund, financial and capital planning and investor relations. Prior to AT&T, he worked in senior finance and planning positions at American Airlines where his responsibilities included airline profitability and financial analysis and the negotiation and management of American Airline's alliances in Asia, Europe, the Middle East and Africa. Virasb holds an MBA from École Nationale des Ponts et Chaussées, Paris, and a Bachelor's Degree in Engineering from the University of California, San Diego.