

# 1 2 3 4 Company History

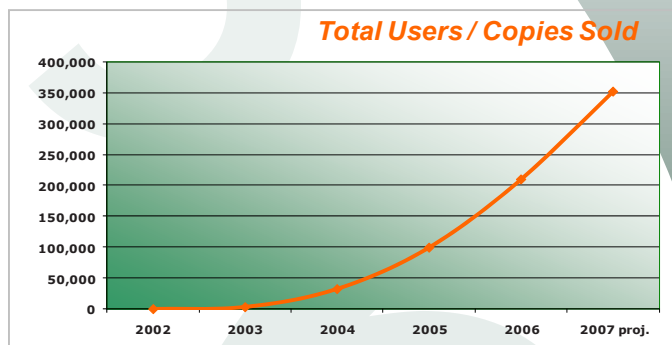
**phase-6**  
Locking vocabulary  
into long-term memory!

## Our Beginnings

In 2001, German college student and *phase-6* founder, Daniel Gorin, was using flash cards to study vocabulary. One rainy day, Daniel accidentally dropped his well-organized cardboard box filled with flash cards on the muddy floor of the school bus.

An idea was born: Daniel created *phase-6* in Germany in early 2002 based on the scientific "Ebbinghaus Forgetting Curve" theory. His objective was to develop the **simplest and most effective** practice tool for long-term retention of vocabulary. Encouraged by friends and relatives, Daniel started building a nation-wide, grass roots distribution network in schools. With support and encouragement from his former teachers, parents, and fellow students, *phase-6* has helped

more than 240,000 students throughout Germany with memorization and long-term retention of knowledge.



## Success Story in Germany and Recent Developments

Since its inception, *phase-6* has kept its promise to keep things simple. Commitment to ease of use through an appealing but intuitive user interface has dominated product development philosophy over the last five years. The initial v1.1 has been enhanced according

to thousands of user comments and suggestions. While *phase-6* started as a CD-based application, it is now available for use as a downloadable browser- or web-based practice engine.

Geographically, usage of *phase-6* has spread well beyond German borders: market entries occurred during the last two years in Romania and Switzerland. Spain, England, and South Africa are currently in a pre-market stage.

A key to success has been the company's inherent organic growth. Starting as a seemingly simple concept, *phase-6* has succeeded in growing without the need for external financing, but has relied solely on word-of-mouth from enthusiastic teachers, as well as satisfied students and parents. Additionally, an internally trained call center and sales team in Germany generates current growth rates of about 10,000 new users every month.

## Today - U.S. Market Entry

Currently, *phase-6* has sold approximately 240,000 CDs in Germany alone and is proud that almost 2,500 schools or 15% of all high schools in Germany recommend the *phase-6* application to their students.

*phase-6* Inc. will serve traditional bricks-and-mortar schools, virtual schools, as well as the homeschooling and higher education markets. In the near future, the U.S. online shop will also be available to the self-motivated learner and will make use of the new web-based version 2.1. Pilot projects are currently being conducted at Elk Grove and Pleasant Grove High Schools in California. Chicago Public Schools (CPS) has taken steps to include the *phase-6* application in its 1:1 laptop initiative which is scheduled to start in September 2007. Additional pilot projects and details about *phase-6* engagement with Pearson Longman will be announced shortly.

Encouraged by positive feedback from virtually all stakeholders and American teachers in particular, *phase-6* has begun to target the U.S. market and started its nationwide operations out of Chicago in late fall 2006. Our tremendous success in the German educational industry, coupled with the initial reactions here in the US, make us confident of success.

### contact

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