InPhonic, Inc., has filed for bankruptcy protection...
let's see how CreditRiskMonitor tracked this trend!

InPhonic, Inc.

1010 Wisconsin Avenue,
Suite 600

Phone: (202) 333-0001 Washington D.C., DC 20007 United States Ticker: INPC

Filed for Bankruptcy on 11/8/2007
Case #07-11666, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 6/30/2007

Business Summary

InPhonic, Inc. is an online seller of wireless services in the United States. The Company operates its business through three business segments: wireless activation and services (WAS); mobile virtual network enabler (MVNE) services, and data services. Through the WAS segment, InPhonic sells services plans, including satellite television services, devices and accessories through its own branded Websites, including Wirefly.com, A1 Wireless.com and VMCsatellite.com, and through Websites for third parties. Under MVNE agreements, the Company offers marketers the ability to sell mobile virtual network operator (MVNO) services to their customers under their own brands using the same e-commerce platform, operational infrastructure and marketing relationships that was developed for its WAS segment. The Company has developed an e-commerce platform that integrates merchandising, procurement, customer care and billing into a single system for the online sale of wireless services and devices.

(Source: 10-K)

Employees: 551 (as of 4/30/2007) Federal Tax Id: 522199384

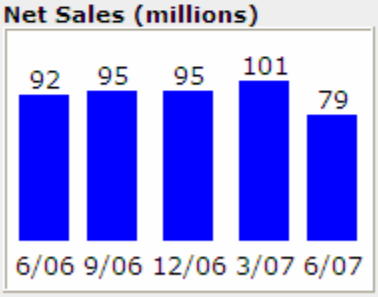
Credit Scores

FRISK2 Score	1		11/11/2007
Probability of default range:	21.0% - 50.0%		
Z" Score	-10.03	(Fiscal danger)	6/30/2007

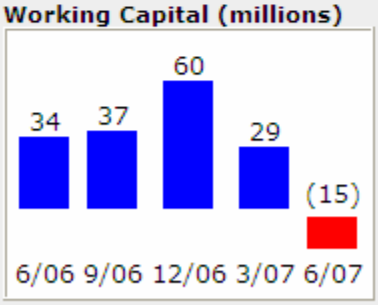
Auditor Information

Last Audit: 12/31/2006
Auditors: Grant Thornton LLP
Opinion: **Unqualified with Explanation**

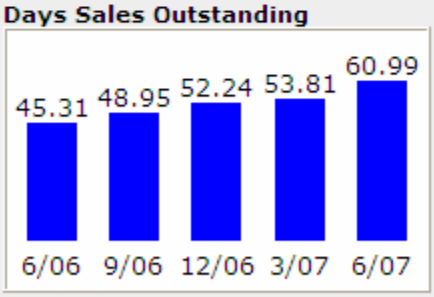
Net Sales (millions)



Working Capital (millions)



Days Sales Outstanding



Second Quarter and Year-to-Date Results

Sales for the 3 months ended 6/30/2007 decreased 13.79% to $79.42 million from last year's comparable period amount of $92.13 million. Sales for the 6 months ended 6/30/2007 increased 0.96% to $180.83 million from $179.11 million for the same period last year.

Gross profit margin decreased 36.61% for the period to $25.71 million (32.37% of revenues) from $40.55 million (44.02% of revenues) for the same period last year. Gross profit margin decreased 23.52% for the

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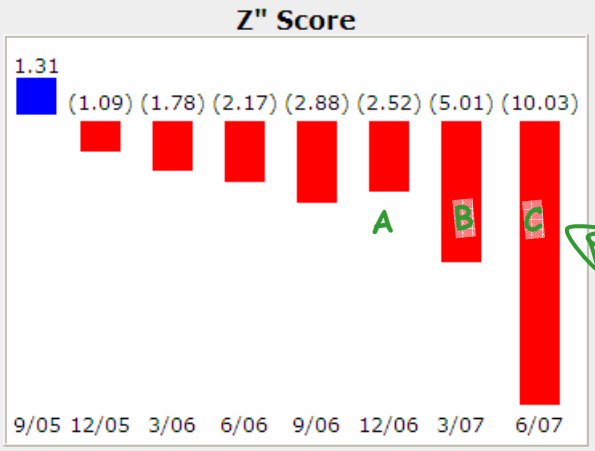
The Altman Z" has been signaling trouble since back in 2005

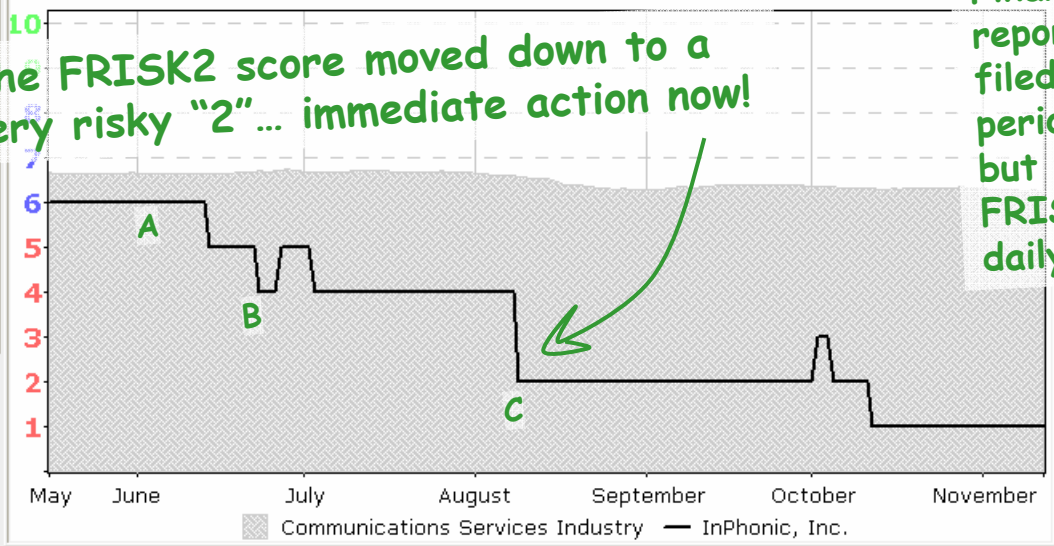
LEGEND:
Financially sound: 2.60 or higher
Neutral: 1.10 to 2.60
Fiscal danger: less than 1.10



The current FRISK2 score is 1 (probability of default* 21.0% - 50.0%), below its 6-month average and below its industry average.

The FRISK2 score moved down to a very risky "2"... immediate action now!

Financial reports are filed periodically, but the FRISK2 is daily



FRISK2 Score - A score indicating the probability of default for a company over a 12 month horizon, based on new daily information in the CRMZ database, as calculated by a proprietary statistical model created by Dr. Camilo Gomez, and back-tested on 10,000 companies. (see **Financial Risk (FRISK2) Score**).

The FRISK2 score is reported on a 1 to 10 scale:

	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

Want an automatic email alert when this is happening? Try our Credit Limit Service.

… plus, look at the news alerts you would have seen…

And… Bankrupt… were you part of a pre-negotiation?

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Phone: (202) 333-0001 Washington D.C., DC 20007 United States Ticker: INPC

Two directors resign…

Filed for Bankruptcy on 11/13/2007
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Default notice… and COO fired…

News Summary (CRM selected stories Moody's stories All stories) Next Page

#	Date	Source	Headline
1	11/13/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing,
7	11/8/2007	Business Wire	InPhonic Signs Purchase Agreement with Versa Capital and Files Voluntary Petition for Chapter 11 to Facilitate Transaction
8	10/24/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Change in Directors or Principal Officers, Amendments to Articles of Inc. or Bylaws; Change in Fiscal Year
9	10/12/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance She
10	10/11/2007	Business Wire	InPhonic Announces Appointment of Lazard as Financial Advisor
11	9/24/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits
17	8/10/2007	CRM News Service	INPHONIC INC FILES (8-K/A) Disclosing Non-Reliance on Previous Financials, Audits or Interim Review
18	8/10/2007	CRM News Service	INPHONIC INC: a Form 10-Q/A has been Filed with the SEC
36	5/18/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing, Financial Statements and Exhibits
37	5/11/2007	CRM News Service	INPHONIC INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.
38	5/4/2007	CRM News Service	INPHONIC INC FILES (8-K/A) Disclosing Non-Reliance on Previous Financials, Audits or Interim Review, Other Events
39	4/6/2007	CRM News Service	INPHONIC INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing
41	3/16/2007	CRM News Service	INPHONIC INC Files Notification of Late Filing for its Form 10-K with the Securities and Exchange Commission.

A director resigns…

Delisting notices, late filing

$Millions.. "non-reliance on financials…"

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… need more depth? Look at the Performance Ratios: no growth, with declining margins, increasing losses and negative free cash flow…

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2007	3 mos 3/31/2007	3 mos 12/31/2006	3 mos 9/30/2006	3 mos 6/30/2006
Net sales $	**$79,422**	**$101,405**	**$95,365**	**$95,103**	**$92,128**
% change	*-21.68%*	*6.33%*	*0.28%*	*3.23%*	*5.92%*
Gross margin $	**$25,708**	**$34,980**	**$30,788**	**$41,582**	**$40,553**
% change	*-26.51%*	*13.62%*	*-25.96%*	*2.54%*	*4.53%*
% of sales	*32.37%*	*34.50%*	*32.28%*	*43.72%*	*44.02%*
SG&A $	**$57,033**	**$55,321**	**$58,471**	**$52,587**	**$44,316**
% change	*3.09%*	*-5.39%*	*11.19%*	*18.66%*	*10.92%*
% of sales	*71.81%*	*54.55%*	*61.31%*	*55.29%*	*48.10%*
Operating margin $	**($37,494)**	**($25,731)**	**($33,200)**	**($15,757)**	**($9,629)**
% change	*-45.72%*	*22.50%*	*-110.70%*	*-63.64%*	*-107.57%*
% of sales	*-47.21%*	*-25.37%*	*-34.81%*	*-16.57%*	*-10.45%*
EBITDA $	**($31,664)**	**($20,341)**	**($28,119)**	**($11,214)**	**($5,669)**
% change	*-55.67%*	*27.66%*	*-150.75%*	*-97.81%*	*-390.40%*
% of sales	*-39.87%*	*-20.06%*	*-29.49%*	*-11.79%*	*-6.15%*
Pre-tax income $	**($40,644)**	**($27,718)**	**($34,225)**	**($15,591)**	**($9,370)**
% change	*-46.63%*	*19.01%*	*-119.52%*	*-66.39%*	*-115.50%*
% of sales	*-51.17%*	*-27.33%*	*-35.89%*	*-16.39%*	*-10.17%*
Net income (loss) $	**($40,648)**	**($27,815)**	**($34,319)**	**($15,519)**	**($9,576)**
% change	*-46.14%*	*18.95%*	*-121.14%*	*-62.06%*	*-122.03%*
% of sales	*-51.18%*	*-27.43%*	*-35.99%*	*-16.32%*	*-10.39%*
Depreciation expense $	**$5,126**	**$4,476**	**$5,081**	**$4,543**	**$2,882**
% of sales	*6.45%*	*4.41%*	*5.33%*	*4.78%*	*3.13%*
% of capital expenses	*92.69%*	*67.52%*	*76.44%*	*68.31%*	*61.65%*
% of PP&E, net (annualized)	*80.98%*	*74.94%*	*96.36%*	*102.11%*	*76.38%*
Capital expenditures $	**$5,530**	**$6,629**	**$6,647**	**$6,651**	**$4,675**
% change	*-16.58%*	*-0.27%*	*-0.06%*	*42.27%*	*11.34%*
% of PP&E, net (annualized)	*87.36%*	*110.98%*	*126.05%*	*149.49%*	*123.90%*
% of working capital (annualized)	*317.11%*	*58.98%*	*54.61%*	*74.79%*	*53.74%*
Interest coverage ratio	**(9.11)**	**(7.64)**	**(16.18)**	**(40.63)**	**(19.68)**
% change	*-19.30%*	*52.81%*	*60.18%*	*-106.41%*	*-472.13%*
Free cash flow $	**($25,694)**	**($33,041)**	**($21,323)**	**$840**	**($13,723)**
% change	*22.24%*	*-54.95%*	*-2638.45%*	*106.12%*	*-361.43%*
Source:	10-Q 8/9/2007	10-Q 6/20/2007	10-K 6/1/2007	10-Q/A 6/1/2007	10-Q/A 6/1/2007

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