

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended: December 31, 2010
Commission File Number: 0-21419

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

NETFABRIC HOLDINGS, INC.
(Name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

76-0307819
(I.R.S. Employer
Identification No.)

117 Randolph Avenue, Jersey City, New Jersey 07305
(Address of Principal Executive Offices)

(201) 706-2998
(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, \$0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes
No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently computed second fiscal quarter. \$38,393 based upon the average bid and asked price of such common stock on June 30, 2010.

The number of shares of the issuer's common stock issued and outstanding as of February 11, 2011 was 97,053,044 shares.

Documents Incorporated By Reference: None

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PART I

Item 1. Business

Forward-Looking Statements

This Report contains forward-looking statements. For this purpose, any statements contained in this Report that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking information includes statements relating to future actions, prospective products, future performance or results of current or anticipated products, sales and marketing efforts, costs and expenses, interest rates, outcome of contingencies, financial condition, results of operations, liquidity, business strategies, cost savings, objectives of management, and other matters. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as “may,” “will,” “should,” “expects,” “anticipates,” “contemplates,” “estimates,” “believes,” “plans,” “projected,” “predicts,” “potential,” or “continue” or the negative of these similar terms. The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation so long as that information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict. In evaluating these forward-looking statements, you should consider various factors, including the following: (a) those risks and uncertainties related to general economic conditions, (b) whether we are able to manage our planned growth efficiently and operate profitable operations, (c) whether we are able to generate sufficient revenues or obtain financing to sustain and grow our operations, (d) whether we are able to successfully fulfill our primary requirements for cash, which are explained below under “Liquidity and Capital Resources”. We assume no obligation to update forward-looking statements, except as otherwise required under the applicable federal securities laws.

Corporate Background

NetFabrics Holdings, Inc. was incorporated on August 31, 1989 in the State of Delaware under the name Houston Operating Company. On December 9, 2004, we entered into an acquisition agreement for all of the issued and outstanding capital stock of NetFabric Corporation. In consideration therefor, we issued an aggregate of 32,137,032 newly-issued shares of our common stock to the shareholders of NetFabric Corporation. The acquisition was accounted for as a reverse merger whereby NetFabric Corporation was treated as the acquirer. NetFabric Corporation was incorporated in the State of Delaware on December 17, 2002, as a new corporation and not as a result of a material reclassification, merger, consolidation, purchase or divestiture. On April 19, 2005, we changed our name to NetFabric Holdings, Inc. to more accurately reflect the activities of the Company.

On May 20, 2005, the Company entered into a share exchange agreement, whereby it acquired all of the issued and outstanding shares of UCA Services, Inc., a New Jersey corporation, engaged in information technology (“IT”) services and served the information and communications needs of a wide range of Fortune 500 and small to mid-size business clients in the financial markets industry as well as the pharmaceutical, health care and hospitality sectors. In consideration therefore the Company issued 24,096,154 shares to the shareholders of UCA Services Inc. In May 2007, UCA Services, Inc. changed its name to NetFabric Technologies, Inc. and transacted business under the name UCA Services (“UCA”).

After the acquisition of Net Fabric Technologies, we were organized into two distinct divisions: (i) NetFabric Holdings, Inc., the holding company, which housed the finance and administrative functions and was responsible for our financing transactions and regulatory compliance activities, and (ii) Net Fabric Technologies, which provided information technology services and solutions to a wide range of clients in the financial industry as well as the pharmaceutical, healthcare and hospitality sectors.

On March 12, 2009, the Company and its wholly owned subsidiary, UCA entered into a Convertible Note Purchase Agreement with Fortify Infrastructure Services, Inc. ("Fortify"), pursuant to which Fortify purchased a Secured Convertible Promissory Note (the "Note") from UCA in the principal amount of \$5 million with the Company being a guarantor for UCA's borrowings. We used approximately \$3 million from the proceeds of the Note to repay all amounts owed to Laurus Master Fund. The balance of the proceeds was used for repayment of debt, other payables and for working capital purposes.

On March 12, 2009 and April 27, 2009, the holders of a majority of the Company's issued and outstanding common stock approved the Option and Purchase Agreement ("Option Agreement") by and among the Company, UCA, and Fortify, pursuant to which Fortify acquired an option to purchase all of the outstanding shares of common stock of UCA. The option was exercised upon the effectiveness of the Company's Definitive Information Statement on Schedule 14C, filed with the Securities and Exchange Commission (the "SEC") on July 9, 2009. Upon exercise of the option, the Company was released from the guaranty obligations of the Note and Fortify agreed to pay the Company \$500,000 ("Fixed Payment") one year from the date the option was exercised and make additional payments to the Company (up to a maximum of \$500,000) and certain employees of UCA based on UCA's performance during the periods specified in the Option Agreement ("Performance Payment").

On August 24, 2009, Fortify, UCA and the Company entered into Amendment No. 1 ("Amendment") to the Option Agreement, pursuant to which, the Note was cancelled, releases of certain obligations of the parties were granted as specified in the Amendment, and the commencement date and measurement period for the earn-out and bonuses provided for in the Option Agreement were modified. The Company's transfer of its ownership interest in UCA to Fortify was made effective on August 24, 2009.

During 2009, the Company closed its operations in India and dissolved its subsidiary there. The investment in the subsidiary and related accounts including property and equipment were written off and the resulting nominal expense was charged to operations. The operations in India were minimal and it supported some of our activities with back office functions and did not have any external customers.

On April 27, 2010, we entered into a Memorandum of Understanding with Fortify and amended the Fixed Payment and Performance Payment previously agreed by them. Pursuant thereto, Fortify agreed to pay the amounts on accelerated basis unconditionally, the Company agreed to accept \$850,000 in aggregate as the full settlement of Fixed Payment and Performance payments. This amount was received by the Company in May 2010 and \$850,000 is classified as other receivables at December 31, 2009.

Recent Developments

On December 30, 2010, the principal shareholders of the Company entered into a Stock Purchase Agreement which provided for the sale of 61,320,658 shares of common stock of the Company (the "Purchased Shares") to Scarborough Ltd., Beaufort Ventures PLC, Agua Alta Ltd., and Il Brolo Ltd., which represented 63.2% of the issued and outstanding share capital of the Company. There are no arrangements or understandings among members of both the former and new control persons and their associates with respect to the election of directors of the Company or other matters other than as set forth below.

Effective as of December 30, 2010, in connection with the disposition of the Purchased Shares, (i) Fahad Syed resigned from his position as chief executive officer of the Company, (ii) Charlotte G. Denenberg resigned from her position as a director, (iii) Joseph Perno resigned from his position as a director, and (iv) the Board of Directors of the Company elected Cristiano Germinario as President, Chief Executive Officer and a director of the Company. Stephen J. Cole-Hatchard was appointed as a director of the Company and Fahad Syed resigned as a director of the Company, both effective as of January 21, 2011 after the delivery to the shareholders of the Company of Information Statement pursuant to Rule 14f-1. Mr. Vasan Thatham continued as the Chief Financial Officer of the Company.

After the divestiture of UCA, the Company does not have any operations. In the past, our operations were that of a holding company that housed the finance and administrative functions and was responsible for financing transactions and regulatory compliance activities. We continued those operations after the divestiture of UCA with our officers providing their services on a part-time basis. The Company has since abandoned its business operations and is now seeking an operating company with which to merge or to acquire.

We are now considered a blank check company. The U.S. Securities and Exchange Commission (the "SEC") defines those companies as "any development stage company that is issuing a penny stock, within the meaning of Section 3 (a)(51) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that has no specific business plan or purpose, or has indicated that its business plan is to merge with an unidentified company or companies." Under SEC Rule 12b-2 under the Securities Act of 1933, as amended (the "Securities Act"), we also qualify as a "shell company," because we have no or nominal assets (other than cash) and no or nominal operations. Many states have enacted statutes, rules and regulations limiting the sale of securities of "blank check" companies in their respective jurisdictions. Management does not intend to undertake any efforts to cause a market to develop in our securities, either debt or equity, until we have successfully concluded a business combination. We intend to comply with the periodic reporting requirements of the Exchange Act for so long as we are subject to those requirements.

The Company's current business plan is to attempt to identify and negotiate with a business target for the merger of that entity with and into NetFabric. In certain instances, a target company may wish to become a subsidiary of the Company or may wish to contribute or sell assets to the Company rather than to merge. No assurances can be given that the Company will be successful in identifying or negotiating with any target company. The Company seeks to provide a method for a foreign or domestic private company to become a reporting or public company whose securities are qualified for trading in the United States secondary markets.

A business combination with a target company normally will involve the transfer to the target company of the majority of the issued and outstanding common stock of the Company, and the substitution by the target company of its own management and board of directors. No assurances can be given that the Company will be able to enter into a business combination, or, if the Company does enter into such a business combination, no assurances can be given as to the terms of a business combination, or as to the nature of the target company.

Competition

The Company is an insignificant participant among firms which engage in business combinations with, or financing of, development stage enterprises. There are many established management and financial consulting companies and venture capital firms which have significantly greater financial and personnel resources, technical expertise and experience than the Company. In view of the Company's limited financial resources and management availability, the Company will continue to be at a significant competitive disadvantage vis-a-vis the Company's competitors.

Regulation and Taxation

The Investment Company Act of 1940 defines an "investment company" as an issuer which is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading of securities. While the Company does not intend to engage in such activities, the Company could become subject to regulation under the Investment Company Act of 1940 in the event the Company obtains or continues to hold a minority interest in a number of development stage enterprises. The Company could be expected to incur significant registration and compliance costs if required to register under the Investment Company Act of 1940. Accordingly, management will continue to review the Company's activities from time to time with a view toward reducing the likelihood the Company could be classified as an "investment company."

The Company intends to structure a merger or acquisition in such manner as to minimize federal and state tax consequences to the Company and to any target company.

Employees

As of December 31, 2010, we did not have any full-time employees. Our officers provide services on a part-time basis and in 2010 they provided their services on consulting basis through companies controlled by them.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this Item 1A.

Item 1B. Unresolved Staff Comments

None

ITEM 2. Property

We do not own or lease any real property. We currently maintain our corporate offices at 117 Randolph Avenue, Jersey City, New Jersey 07305, in a building owned by Cristiano Germinario, an officer of the Company. We do not pay rent for this space because the amount of the space we use at such office is de minimis. We believe that this space will be sufficient until we start generating revenues and need to hire employees.

ITEM 3. Legal Proceedings

There are no pending legal proceedings to which the Company is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of voting securities of the Company, or security holder is a party adverse to the Company or has a material interest adverse to the Company. The Company's property is not the subject of any pending legal proceedings.

ITEM 4. Removed and Reserved

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities

Market Information

The Company's common stock has been quoted on the Over-the Counter Bulletin Board ("OTCBB") under the trading symbol "NFBH" since March of 2001. On April 19, 2005, our name was changed from Houston Operating Company to NetFabric Holdings, Inc. and our stock symbol was changed from "HOOC" to "NFBH". Our common stock has been quoted on the Pink Sheets under the ticker symbol "NFBH" since May 7, 2008.

The table below sets forth the range of quarterly high and low closing sales prices for our common stock for the 2010 and 2009. The quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions:

| | <u>High</u> | <u>Low</u> |
|------------------------------|-------------|------------|
| YEAR ENDED DECEMBER 31, 2010 | | |
| First Quarter | \$ 0.008 | \$ 0.001 |
| Second Quarter | \$ 0.002 | \$ 0.001 |
| Third Quarter | \$ 0.002 | \$ 0.001 |
| Fourth Quarter | \$ 0.015 | \$ 0.007 |
| YEAR ENDED DECEMBER 31, 2009 | | |
| First Quarter | \$ 0.001 | \$ 0.001 |
| Second Quarter | \$ 0.005 | \$ 0.001 |
| Third Quarter | \$ 0.001 | \$ 0.001 |
| Fourth Quarter | \$ 0.001 | \$ 0.001 |

Holders

As of February 11, 2011 the number of stockholders of record was approximately 464 (excluding beneficial owners and any shares held in street name or by nominees).

Dividends

We have not declared or paid any cash dividends on our common stock nor do we anticipate paying any in the foreseeable future. Furthermore, we expect to retain any future earnings to finance its operations and expansion. The payment of cash dividends in the future will be at the discretion of our Board of Directors and will depend upon our earnings levels, capital requirements, any restrictive loan covenants and other factors the Board considers relevant.

Securities authorized for issuance under equity compensation plans

On March 3, 2005, the Board of Directors adopted the 2005 Stock Option and Grant Plan (the "Plan") pursuant to which 9,000,000 shares of common stock were reserved for issuance upon exercise of options. The purpose of the Plan is to encourage and enable the employees, directors and consultants of the Company upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. The Plan became effective on April 19, 2005.

From time to time, the Company issues stock-based compensation to its officers, directors, employees and consultants. The maximum term of options granted is generally 10 years and generally options vest over a period of one to four years. However, the Board of Directors of the Company may approve other vesting schedules. The Company has issued options to employees and non-employees under stock option agreements. Options may be exercised in whole or in part. The exercise price of stock options granted is generally the fair market value of the Company's common stock as determined by the Board of Directors on the date of grant, considering factors such as the sale of stock, results of operations, and consideration of the fair value of comparable private companies in the industry.

The fair value of each stock option award is estimated using a Black-Scholes option pricing model based on certain assumptions. The assumption for expected term is based on evaluations of expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected term at the grant date. The historical volatility of comparable companies' stock is used as the basis for the volatility assumption. The Company has never paid cash dividends, and does not currently intend to pay cash dividends, and thus assumed a 0% dividend yield. The Company did not grant any stock options during the years ended December 31, 2010 and 2009.

The following table sets forth information as of December 31, 2010 regarding compensation plans under which our equity securities are authorized for issuance.

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) |
|---|--|--|--|
| Equity Compensation Plans(1) | 550,000 | \$ 1.34 | 8,450,000 |
| Equity compensation plans not approved by equity holders(2) | 866,782 | 0.30 | 0 |
| Total | 1,416,782 | | 8,450,000 |

(1) Pursuant to our 2005 Stock Option Plan.

(2) Outstanding warrants to acquire shares of common stock. The warrants to acquire 312,500 expire in June 2011, see Note 6 to Notes to Consolidated Financial Statements.

Purchases of equity securities by the issuer and affiliated purchasers

None

ITEM 6. Selected Financial Data.

Smaller reporting companies are not required to provide the information required by this Item 6.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

The following discussion and analysis and results of operations should be read in conjunction with the consolidated financial statements and accompanying notes and the other financial information appearing elsewhere in this report and reports included herein by reference. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

Certain statements contained in this prospectus, including statements regarding the anticipated development and expansion of our business, our intent, belief or current expectations, primarily with respect to the future operating performance of NetFabric Holdings, Inc. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made.

Plan of Operation - General

During the next 12 months, the Company intends to seek, investigate and, if such investigation warrants, acquire an interest in one or more business opportunities presented to it by persons or firms who or which desire to seek the perceived advantages of a publicly held corporation. At this time, the Company has no plan, proposal, agreement, understanding or arrangement to acquire or merge with any specific business or company, and the Company has not identified any specific business or company for investigation and evaluation. No member of Management or promoter of the Company has had any material discussions with any other company with respect to any acquisition of that company.

The Company will not restrict its search to any specific business, industry or geographical location, and the Company may participate in a business venture of virtually any kind or nature. The discussion of the proposed plan of operation under this caption and throughout this Annual Report is purposefully general and is not meant to be restrictive of the Company's virtually unlimited discretion to search for and enter into potential business opportunities.

The Company may have to obtain funds in one or more private placements to finance the operation of any acquired business. Persons purchasing securities in these placements and other shareholders will likely not have the opportunity to participate in the decision relating to any acquisition. The Company's proposed business is sometimes referred to as a "blind pool" because any investors will entrust their investment monies to the Company's management before they have a chance to analyze any ultimate use to which their money may be put. Consequently, the Company's potential success is heavily dependent on the Company's management, which will have virtually unlimited discretion in searching for and entering into a business opportunity. None of the officers and directors of the Company has had any experience in the proposed business of the Company. There can be no assurance that the Company will be able to raise any funds in private placements. In any private placement, management may purchase shares on the same terms as offered in the private placement.

Management anticipates that it will only participate in one potential business venture. This lack of diversification should be considered a substantial risk in investing in the Company because it will not permit the Company to offset potential losses from one venture against gains from another. The Company may seek a business opportunity with a firm which only recently commenced operations, or a developing company in need of additional funds for expansion into new products or markets, or seeking to develop a new product or service, or an established business which may be experiencing financial or operating difficulties and is in the need for additional capital which is perceived to be easier to raise by a public company. In some instances, a business opportunity may involve the acquisition or merger with a corporation which does not need substantial additional cash but which desires to establish a public trading market for its common stock. The Company may purchase assets and establish wholly owned subsidiaries in various business or purchase existing businesses as subsidiaries.

The Company anticipates that the selection of a business opportunity in which to participate will be complex and extremely risky. Because of general economic conditions, rapid technological advances being made in some industries, and shortages of available capital, management believes that there are numerous firms seeking the benefits of a publicly traded corporation. Such perceived benefits of a publicly traded corporation may include facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for the principals of a business, creating a means for providing incentive stock options or similar benefits to key employees, providing liquidity (subject to restrictions of applicable statutes) for all shareholders, and other factors. Potentially available business opportunities may occur in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities extremely difficult and complex.

As part of any transaction, the acquired company may require that management or other stockholders of the Company sell all or a portion of their shares to the acquired company, or to the principals of the acquired company. It is anticipated that the sales price of such shares will be lower than the current market price or anticipated market price of the Company's Common Stock. The Company's funds are not expected to be used for purposes of any stock purchase from insiders. The Company shareholders will not be provided the opportunity to approve or consent to such sale. The opportunity to sell all or a portion of their shares in connection with an acquisition may influence management's decision to enter into a specific transaction. However, management believes that since the anticipated sales price will be less than market value, that the potential of a stock sale by management will be a material factor on their decision to enter a specific transaction.

The above description of potential sales of management stock is not based upon any corporate bylaw, shareholder or board resolution, or contract or agreement. No other payments of cash or property are expected to be received by Management in connection with any acquisition.

The Company has not formulated any policy regarding the use of consultants or outside advisors, but does not anticipate that it will use the services of such persons.

The Company may not have sufficient capital with which to provide the owners of business opportunities with any significant cash or other assets. However, management believes the Company will offer owners of business opportunities the opportunity to acquire a controlling ownership interest in a public company at substantially less cost than is required to conduct an initial public offering. The owners of the business opportunities will, however, incur significant post-merger or acquisition registration costs in the event they wish to register a portion of their shares for subsequent sale. The Company will also incur significant legal and accounting costs in connection with the acquisition of a business opportunity including the costs of preparing post-effective amendments, Forms 8-K, agreements and related reports and documents nevertheless, the officers and directors of the Company have not conducted market research and are not aware of statistical data which would support the perceived benefits of a merger or acquisition transaction for the owners of a business opportunity.

The Company does not intend to make any loans to any prospective merger or acquisition candidates or to unaffiliated third parties.

Sources of Opportunities

The Company anticipates that business opportunities for possible acquisition will be referred by various sources, including its officers and directors, professional advisers, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals.

The Company will seek a potential business opportunity from all known sources, but will rely principally on personal contacts of its officers and directors as well as indirect associations between them and other business and professional people. It is not presently anticipated that the Company will engage professional firms specializing in business acquisitions or reorganizations.

The officers and directors of the Company are currently employed in other positions and will devote only a portion of their time (not more than three hour per week) to the business affairs of the Company, until such time as an acquisition has been determined to be highly favorable, at which time they expect to spend full time in investigating and closing any acquisition for a period of two weeks. In addition, in the face of competing demands for their time, the officers and directors may grant priority to their full-time positions rather than to the Company.

Evaluation of Opportunities

The analysis of new business opportunities will be undertaken by or under the supervision of the officers and directors of the Company. Management intends to concentrate on identifying prospective business opportunities which may be brought to its attention through present associations with management. In analyzing prospective business opportunities, management will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operation, if any; prospects for the future; present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development or exploration; specific risk factors not now foreseeable but which then may be anticipated to impact the proposed activities of the Company; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services or trades; name identification; and other relevant factors. Officers and directors of the Company will meet personally with management and key personnel of the firm sponsoring the business opportunity as part of their investigation. To the extent possible, the Company intends to utilize written reports and personal investigation to evaluate the above factors. The Company will not acquire or merge with any company for which audited financial statements cannot be obtained.

It may be anticipated that any opportunity in which the Company participates will present certain risks. Many of these risks cannot be adequately identified prior to selection of the specific opportunity, and the Company's shareholders must, therefore, depend on the ability of management to identify and evaluate such risk. In the case of some of the opportunities available to the Company, it may be anticipated that the promoters thereof have been unable to develop a going concern or that such business is in its development stage in that it has not generated significant revenues from its principal business activities prior to the Company's anticipation. There is a risk, even after the Company's participation in the activity and the related expenditure of the Company's funds, that the combined enterprises will still be unable to become a going concern or advance beyond the development stage. Many of the opportunities may involve new and untested products, processes, or market strategies which may not succeed. Such risks will be assumed by the Company and, therefore, its shareholders.

The Company will not restrict its search for any specific kind of business, but may acquire a venture which is in its preliminary or development stage, which is already in operation, or in essentially any stage of its corporate life. It is currently impossible to predict the status of any business in which the Company may become engaged, in that such business may need additional capital, may merely desire to have its shares publicly traded, or may seek other perceived advantages which the Company may offer.

Acquisition of Opportunities

In implementing a structure for a particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, franchise or licensing agreement with another corporation or entity. It may also purchase stock or assets of an existing business. On the consummation of a transaction, it is possible that the present management and shareholders of the Company will not be in control of the Company. In addition, a majority or all of the Company's officers and directors may, as part of the terms of the acquisition transaction, resign and be replaced by new officers and directors without a vote of the Company's shareholders.

It is anticipated that any securities issued in any such reorganization would be issued in reliance on exemptions from registration under applicable Federal and state securities laws. In some circumstances, however, as a negotiated element of this transaction, the Company may agree to register such securities either at the time the transaction is consummated, under certain conditions, or at specified time thereafter. The issuance of substantial additional securities and their potential sale into any trading market which may develop in the Company's Common Stock may have a depressive effect on such market. While the actual terms of a transaction to which the Company may be a party cannot be predicted, it may be expected that the parties to the business transaction will find it desirable to avoid the creation of a taxable event and thereby structure the acquisition in a so called "tax free" reorganization under Sections 368(a)(1) or 351 of the Internal Revenue Code of 1986, as amended (the "Code"). In order to obtain tax free treatment under the Code, it may be necessary for the owners of the acquired business to own 80% or more of the voting stock of the surviving entity. In such event, the shareholders of the Company, including investors in this offering, would retain less than 20% of the issued and outstanding shares of the surviving entity, which could result in significant dilution in the equity of such shareholders.

As part of the Company's investigation, officers and directors of the Company will meet personally with management and key personnel, may visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel, and take other reasonable investigative measures, to the extent of the Company's limited financial resources and management expertise. The manner in which each Company participates in an opportunity will depend on the nature of the opportunity, the respective needs and desires of the Company and other parties, the management of the opportunity, and the relative negotiating strength of the Company and such other management.

With respect to any mergers or acquisitions, negotiations with target company management will be expected to focus on the percentage of the Company which target company shareholders would acquire in exchange for their shareholdings in the target company. Depending upon, among other things, the target company's assets and liabilities, the Company's shareholders will in all likelihood hold a lesser percentage ownership interest in the Company following any merger or acquisition. The percentage ownership may be subject to significant reduction in the event the Company acquires a target company with substantial assets. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by the Company's then shareholders. The Company may not have sufficient funds to undertake any significant development, marketing and manufacturing of any products which may be acquired.

Accordingly, following the acquisition of any such product, the Company may be required to either seek debt or equity financing or obtain funding from third parties, in exchange for which the Company would probably be required to give up a substantial portion of its interest in any acquired product. There is no assurance that the Company will be able either to obtain additional financing or interest third parties in providing funding for the further development, marketing and manufacturing of any products acquired.

It is anticipated that the investigation of specific business opportunities and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If a decision is made not to participate in a specific business opportunity the costs therefore incurred in the related investigation would not be recoverable.

Furthermore, even if an agreement is reached for the participation in a specific business opportunity, the failure to consummate that transaction may result in a loss to the Company of the related costs incurred.

Management believes that the Company may be able to benefit from the use of "leverage" in the acquisition of a business opportunity. Leveraging a transaction involves the acquisition of a business through incurring significant indebtedness for a large percentage of the purchase price for that business.

Through a leveraged transaction, the Company would be required to use less of its available funds for acquiring the business opportunity and, therefore, could commit those funds to the operations of the business opportunity, to acquisition of other business opportunities or to other activities. The borrowing involved in a leveraged transaction would ordinarily be secured by the assets of the business opportunity to be acquired. If the business opportunity acquired is not able to generate sufficient revenues to make payments on the debt incurred by the Company to acquire that business opportunity, the lender would be able to exercise the remedies provided by law or by contract. These leveraging techniques, while reducing the amount of funds that the Company must commit to acquiring a business opportunity, may correspondingly increase the risk of loss to the Company. No assurance can be given as to the terms or the availability of financing for any acquisition by the Company. No assurance can be given as to the terms or the availability of financing for any acquisition by the Company. During periods when interest rates are relatively high, the benefits of leveraging are not as great as during periods of lower interest rates because the investment in the business opportunity held on a leveraged basis will only be profitable if it generates sufficient revenues to cover the related debt and other costs of the financing. Lenders from which the Company may obtain funds for purposes of a leveraged buy-out may impose restrictions on the future borrowing, distribution, and operating policies of the Company. It is not possible at this time to predict the restrictions, if any, which lenders may impose or the impact thereof on the Company.

Results of Operations

Comparison of Years Ended December 31, 2010 and 2009:

Revenues

We did not generate any revenues from operations during the years ended December 31, 2010 and 2009. We do not anticipate earning revenues in the foreseeable future.

Total Operating Expenses

Total operating expenses during the year ended December 31, 2010 were \$352,290 for a net loss of \$286,042 compared to expenses of \$779,281 for a net income of \$216,566 for the year ended December 31, 2009. The higher net loss was the direct result of the divestiture of UCA in the year ended December 31, 2009.

Selling, general and administrative expenses

Our selling, general and administrative expenses decreased for the year ended December 31, 2010 by \$426,991, or 54.8%, to \$352,290 from \$779,281 for the year ended December 31, 2009. In 2010, our selling, general and administrative expenses levels decreased due to reduced level of operations and reduced professional fees after the divestiture of UCA.

Amortization of debt discount

Amortization of debt discount for the year ended December 31, 2010 decreased from \$91,862 to \$0. The reduction was due to the maturity of Laurus debt and by the maturity all discount was amortized. The debt was repaid at the maturity in March 2009 from the Fortify transaction, and there were no additional borrowings incurred thereafter.

Debt issuance costs

We did not incur any debt issuance costs in 2010. In 2009, we paid approximately \$86,000 fees in connection with our short term borrowing during the year ended December 31, 2009, which was charged to operations. The decrease was due to the repayment of short term borrowings from the Fortify transaction.

Interest expense

We repaid the Laurus and other debt from the proceeds of the Fortify transaction in March 2009 and consequently we did not have any interest expense in 2010, compared to \$36,270 incurred in 2009.

Discontinued Operations

On August 24, 2009, we transferred our ownership interest in UCA to Fortify. In accordance with FASB ASC 205-20-45-1 "Presentation of Financial Statements-Discontinued Operations-Other Presentation Matters" we have presented the results of UCA operations as discontinued operations in the accompanying consolidated statement of operations and statement of cash flows.

We recorded a gain of \$770,608 from the disposal of UCA during the year ended December 31, 2009. This was based on the sale price of UCA and net assets of UCA transferred as more fully detailed in Note 3 to Consolidated Financial Statements.

In 2009, our income from discontinued operations was \$346,001. Our discontinued operations in 2009 were until August 24, 2009, date on which ownership in UCA was transferred to Fortify.

Net loss

As a result of the foregoing, for the year ended December 31, 2010, net loss increased by \$502,608, or 232.1%, to a loss of \$286,042, compared to a net income of \$216,566 in the year ended December 31, 2009. For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

LIQUIDITY AND CAPITAL RESOURCES

During the fiscal year ended December 31, 2010 and 2009, we had cash in the amounts of \$251,256 and \$55,509, respectively and have experienced net loss since inception.

On December 31, 2010, our working capital was \$166,984, compared to a working capital of \$453,026 on December 31, 2009. The decrease was due to the operating losses incurred in 2010. During the year ended December 31, 2010, our operating activities from continuing operations provided approximately \$196,000 of cash, compared to approximately \$1,282,000 used during the year ended December 31, 2009.

During the year ended December 31, 2010, our continuing operating losses, after adjusting for non-cash items, used approximately \$286,000 of cash, and working capital items provided approximately \$482,000 of cash. The principal component of these working capital changes was a decrease in our other receivable and accounts payable. The decrease in other receivable was due to the receipt of Fixed Payment and Performance from Fortify in 2010. During the year ended December 31, 2009, our continuing operating losses, after adjusting for non-cash items, utilized approximately \$572,000 of cash, and working capital items used approximately \$710,000 of cash.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and liabilities as of the date of the financial statements and during the applicable periods. We base these estimates on historical experience and on other factors that we believe are reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions and could have a material impact on our financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations or liquidity.

Need For Additional Financing

The Company believes that its existing capital will be sufficient to meet the Company's cash needs required for the costs of compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended, and for the costs of accomplishing its goal of completing a business combination, for an indefinite period of time. Accordingly, in the event the Company is able to complete a business combination during this period, it anticipates that its existing capital will be sufficient to allow it to accomplish the goal of completing a business combination. There is no assurance, however, that the available funds will ultimately prove to be adequate to allow it to complete a business combination, and once a business combination is completed, the Company's needs for additional financing are likely to increase substantially. In addition, as current management is under no obligation to continue to extend credit to the Company and/or invest in the Company, there is no assurance that such credit or investment will continue or that it will continue to be sufficient for future periods.

ITEM 8. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the board of directors and shareholders of
NetFabric Holdings, Inc.**

We have audited the accompanying consolidated balance sheets of NetFabric Holdings, Inc. and Subsidiaries (hereafter referred to as “Holdings” or “the Company”) as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, Holdings sold a subsidiary, and as a result does not have any operations. Management's plans going forward are discussed in Note 1.

ARIK ESHEL, CPA & ASSOCIATES., PC
New York, New York
March 3, 2011

NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | DECEMBER 31, 2010 | DECEMBER 31, 2009 |
|---|------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 251,256 | \$ 55,509 |
| Other receivable | - | 850,000 |
| Total current assets | <u>251,256</u> | <u>905,509</u> |
| | | |
| TOTAL ASSETS | <u><u>\$ 251,256</u></u> | <u><u>\$ 905,509</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$ 84,272 | \$ 452,483 |
| Total current liabilities | <u>84,272</u> | <u>452,483</u> |
| | | |
| Total liabilities | <u>84,272</u> | <u>452,483</u> |
| | | |
| COMMITMENTS AND CONTINGENCIES | | |
| | | |
| STOCKHOLDERS' EQUITY : | | |
| Common Stock, \$.001 par value, authorized shares 200,000,000, 97,053,044 shares issued and outstanding | 97,053 | 97,053 |
| Additional paid-in capital | 38,243,128 | 38,243,128 |
| Accumulated deficit | <u>(38,173,197)</u> | <u>(37,887,155)</u> |
| Total stockholders' equity | <u>166,984</u> | <u>453,026</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u><u>\$ 251,256</u></u> | <u><u>\$ 905,509</u></u> |

See accompanying notes to consolidated financial statements.

NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

| | Year Ended December 31, 2010 | Year Ended December 31, 2009 |
|--|---|---|
| REVENUES | <u>\$ -</u> | <u>\$ -</u> |
| OPERATING EXPENSES: | | |
| Selling, general and administrative expenses (includes share based compensation of \$0 and \$132,966) | 352,290 | 779,281 |
| Total operating expenses | <u>352,290</u> | <u>779,281</u> |
| Loss from operations | <u>(352,290)</u> | <u>(779,281)</u> |
| OTHER INCOME / (EXPENSE): | | |
| Amortization of debt discounts | - | (91,862) |
| Amortization of debt issuance costs | - | (85,630) |
| Other income | 81,248 | 213,000 |
| Interest and bank charges | - | (36,270) |
| Total other income/ (expense) | <u>81,248</u> | <u>(762)</u> |
| Loss before provision for income taxes | <u>(271,042)</u> | <u>(780,043)</u> |
| Provision for income taxes | <u>15,000</u> | <u>120,000</u> |
| LOSS FROM CONTINUING OPERATIONS | <u>(286,042)</u> | <u>(900,043)</u> |
| DISCONTINUED OPERATIONS: | | |
| Gain from disposal of discontinued operations | - | 770,608 |
| Income from discontinued operations | <u>-</u> | <u>346,001</u> |
| | - | 1,116,609 |
| NET INCOME (LOSS) | <u>\$ (286,042)</u> | <u>\$ 216,566</u> |
| Net loss from continuing operations per common share, basic and diluted | <u>\$ (0.00)</u> | <u>\$ (0.01)</u> |
| Net income from discontinued operations per common share, basic and diluted | <u>-</u> | <u>\$ 0.01</u> |
| Net income (loss) per common share, basic and diluted | <u>\$ (0.00)</u> | <u>\$ 0.00</u> |
| Weighted average number of shares outstanding, basic and diluted | <u>97,053,044</u> | <u>97,053,044</u> |

See accompanying notes to consolidated financial statements.

NETFABRIC HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

| | COMMON STOCK | | ADDITIONAL PAID-IN CAPITAL | ACCUMULATED DEFICIT | TOTAL STOCKHOLDERS' EQUITY |
|--|--------------|-----------|----------------------------------|------------------------|----------------------------------|
| | SHARES | PAR VALUE | | | |
| Balances at December 31, 2008 | 97,053,044 | \$ 97,053 | \$ 38,110,162 | \$ (38,103,721) | \$ 103,494 |
| Employee share-based compensation | | | 132,966 | | 132,966 |
| Net income | | | | 216,566 | 216,566 |
| Balances at December 31, 2009 | 97,053,044 | \$ 97,053 | \$ 38,243,128 | \$ (37,887,155) | \$ 453,026 |
| Net loss | | | | \$ (286,042) | (286,042) |
| Balances at December 31, 2010 | 97,053,044 | \$ 97,053 | \$ 38,243,128 | \$ (38,173,197) | \$ 166,984 |
| See accompanying notes to consolidated financial statements. | | | | | |

NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year Ended December 31, 2010 | Year Ended December 31, 2009 |
|---|---------------------------------------|---------------------------------------|
| OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (286,042) | \$ 216,566 |
| Income from discontinued operations | - | (1,116,609) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Share based compensation | - | 132,966 |
| Amortization of debt discounts | - | 91,862 |
| Amortization of debt issuance costs | - | 85,630 |
| Loss on disposal of property and equipment | - | 17,346 |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | - | 18,584 |
| Other receivables | 850,000 | - |
| Accounts payable and accrued liabilities | (368,211) | (530,019) |
| Accrued compensation | - | (198,000) |
| Net cash provided by (used in) continuing operations | <u>195,747</u> | <u>(1,281,674)</u> |
| Net cash provided by discontinued operations | - | 292,002 |
| Net cash provided by (used in) operating activities | <u>195,747</u> | <u>(989,672)</u> |
| INVESTING ACTIVITIES | | |
| Net cash used by discontinued operations | - | - |
| Net cash used in investing activities | - | - |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of Secured Convertible Promissory Note | - | 5,000,000 |
| Repayment of short term borrowings | - | (950,000) |
| Repayment of convertible debenture | - | (1,500,000) |
| Repayment of revolving note, net | - | (1,419,263) |
| Debt issuance costs | - | (85,630) |
| Net cash provided by financing activities | <u>-</u> | <u>1,045,107</u> |
| Net increase in cash | <u>195,747</u> | <u>55,435</u> |
| Cash at beginning of period | <u>55,509</u> | <u>74</u> |
| Cash at end of period | <u>\$ 251,256</u> | <u>\$ 55,509</u> |
| Supplemental cash flow information: | | |
| Cash paid for interest | | |
| Continuing operations | \$ - | \$ 57,000 |
| Discontinued operations | <u>-</u> | <u>13,000</u> |
| Income taxes paid | <u>\$ 131,000</u> | <u>\$ -</u> |
| Supplemental non-cash financing information | | |
| Conversion of Secured Convertible Promissory Note to shares of UCA services, Inc. | | <u>\$ 5,000,000</u> |

See accompanying notes to consolidated financial statements.

NetFabric Holdings Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 1. NATURE OF BUSINESS AND MANAGEMENT'S PLANS

NetFabric Holdings, Inc. ("Holdings" or the "Company") was incorporated under the laws of the State of Delaware on August 31, 1989. As of December 31, 2010, the Company has one wholly-owned subsidiary, NetFabric Corporation ("NetFabric") which is not active. At December 31, 2008, the Company had another active subsidiary UCA Services, Inc ("UCA"), which was sold in 2009.

On May 20, 2005 Holdings acquired UCA, a New Jersey company, an information technology ("IT") services company that serves the information and communications needs of a wide range of Fortune 500 and small to mid-size business clients in the financial markets industry as well as the pharmaceutical, health care and hospitality sectors. UCA delivers a broad range of IT services in the practice areas of infrastructure builds and maintenance, managed services and professional services.

Effective August 24, 2009, pursuant to a Memorandum of Understanding, the Company sold UCA to Fortify Infrastructure Services, Inc. ("Fortify") for \$5,850,000 consisting of \$5,000,000 in cash, resulting from the cancellation of a \$5,000,000 note previously issued to Fortify by UCA on March 12, 2009, and a receivable of \$850,000, which was paid in May 2010, and is reflected as a receivable on the 2009 balance sheet. The Memorandum of Understanding referred to above was signed on April 27, 2010 and amended the terms of previous agreements dated March 12, 2009 and August 24, 2009 between UCA and Fortify.

The operations of UCA are reflected in the financial statements as discontinued operations (Note 3).

Management's plans

As discussed above, the Company sold UCA to Fortify for \$5,850,000. Out of proceeds from the transaction, the Company repaid all of its debt. After the sale, the Company does not have any operations. However, the Company is debt free. The Company intends to explore strategic alternatives including merger with another entity. Currently, the Company does not have any agreement or understanding with any entity and there is no assurance that such a transaction will ever be consummated. The Company believes that it will be able to meet its cash requirements throughout fiscal 2011 and continue its business development efforts.

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Basis of Presentation of Consolidated Financial Statements and Estimates

The consolidated financial statements include the accounts of Holdings and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUATION):

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company reduces credit risk by placing its cash and cash equivalents with major financial institutions with high credit ratings. Cash and cash equivalents exceeding federally insured limits totaled \$16,183 at December 31, 2010.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and accrued liabilities. The carrying amount of these financial instruments approximate their fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Share-Based Compensation Expense

The Company accounts for stock-based compensation under the provisions of ASC 718-10 "Stock Compensation" and ASC 505-50 "Equity Based Payments to Non-Employees." This statement requires the Company to measure the cost of services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is recognized over the period in which the services are provided, which is usually the vesting period.

Income Taxes

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that the tax benefits will not be realized. The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The Company accounts for uncertain tax positions using a two-step approach. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes.

Earnings (Loss) Per Share

The Company computes basic earnings (loss) per share by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period plus the effects of any dilutive securities.

NetFabric Holdings Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUATION):

Earnings (loss) per share is based on the weighted average number of common shares outstanding during

| | 2010 | 2009 |
|--|--------------|-------------|
| Net income (loss) per share basic and diluted: | | |
| Net income (loss) | \$ (286,042) | \$ 216,566 |
| Weighted average shares | 97,053,044 | 97,053,044 |
| Net income (loss) per share | \$ - | \$ - |

Diluted loss per share for the years ended December 31, 2010 and 2009 exclude potentially issuable common shares of approximately 1,416,782 and 7,281,867, respectively, primarily related to the Company's outstanding stock options, warrants and convertible debt, because the assumed issuance of such potential common shares is antidilutive.

Recent Accounting Pronouncements

In January 2010, the FASB issued amended standards that require additional fair value disclosures. These amended standards require disclosures about inputs and valuation techniques used to measure fair value as well as disclosures about significant transfers, beginning in the first quarter of 2010. The Company adopted these amended standards on January 1, 2010, and there was no impact to the financial statements upon adoption. Additionally, these amended standards require presentation of disaggregated activity within the reconciliation for fair value measurements using significant unobservable inputs (Level 3), beginning in the first quarter of 2011. The Company does not expect these new standards to significantly impact the financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

NOTE 3. DISCONTINUED OPERATIONS

On March 12, 2009, the Company, along with its wholly owned subsidiary, UCA entered into a Convertible Note Purchase Agreement dated March 12, 2009 with Fortify Infrastructure Services, Inc. ("Fortify"). Pursuant to the Convertible Note Purchase Agreement, Fortify purchased a Secured Convertible Promissory Note (the "Note") from UCA in the principal amount of \$5 million with the Company being a guarantor for UCA's borrowings.

The Note had a six-month term with interest at 8% per annum, compounded annually. The Note was secured by (i) all of the assets of UCA and the Company and (ii) all of the equity securities of UCA then owned or thereafter acquired by the Company. At the exclusive option of Fortify, Fortify may convert the entire principal amount of and accrued and unpaid interest on the Note into shares of Series A Preferred Stock of UCA. The conversion price shall be at a price equal to the price per share reflecting a valuation of UCA equal to \$5 million, on an as-converted basis.

Fortify, UCA and the Company also entered into an Option and Purchase Agreement ("Option Agreement"). Pursuant to the Option Agreement, Fortify has an option to acquire all of the outstanding shares of common stock of UCA. Upon effectiveness of the Company's Definitive Schedule 14 C Information Statement to be filed with the Securities and Exchange Commission (the "SEC") in connection with certain actions taken by the written consent of holders of a majority of the Company's outstanding common stock approving the terms of the Option Agreement, Fortify will exercise the option. Upon exercise of the Option, the Company will be released from the guaranty obligations of the Note. Fortify will pay the Company \$500,000 ("Fixed Payment") one year from the date the option is exercised.

NOTE 3. DISCONTINUED OPERATIONS (CONTINUATION):

In addition, Fortify will pay additional amounts to the Company (up to a maximum of \$500,000) and certain employees of UCA based on UCA's performance during the periods specified in the Option Agreement ("Performance Payment").

The holders of a majority of the Company's outstanding common stock had previously approved the terms of the Option Agreement by a written consent as detailed in the Company's Definitive Schedule 14 C Information Statement filed with the Securities and Exchange Commission (the "SEC") on July 9, 2009.

The Company used approximately \$3 million from the proceeds of the Note to repay all amounts owed to Laurus Master Fund. The balance of the proceeds was used for repayment of debt, other payables and for working capital purposes.

On August 24, 2009, the Company along with its wholly-owned subsidiary, UCA and Fortify entered into Amendment No. 1 ("Amendment") to the Option and Purchase Agreement ("Option Agreement") in connection with the closing of Fortify's purchase of all of the outstanding capital stock of UCA upon exercise of its option granted under the Option Agreement. Pursuant to the Amendment, among other things, the Secured Convertible Promissory Note in the principal amount of \$5 million (including the related accrued interest) issued by UCA to Fortify was cancelled, releases of certain obligations of the parties were granted as specified in the Amendment, and the commencement date and measurement period for the earn-out and bonuses provided for in the Option Agreement were modified. Effective August 24, 2009, the Company transferred its ownership interest in UCA to Fortify.

On April 27, 2010, the Company entered into a Memorandum of Understanding ("MOU") with Fortify and amended the Fixed Payment and Performance Payment previously agreed by them. Pursuant to Fortify agreeing to pay the amounts on accelerated basis unconditionally, the Company agreed to accept \$850,000 in aggregate as the full settlement of Fixed Payment and Performance payments. This amount was received by the Company in May 2010 and \$850,000 is classified as other receivables at December 31, 2009.

In accordance with FASB ASC 205-20-45-1 "Presentation of Financial Statements-Discontinued Operations-Other Presentation Matters" the Company has presented the results of UCA operations as discontinued operations in the accompanying 2009 consolidated statement of operations and statement of cash flows.

The following table presents information regarding the calculation of gain from the sale of UCA:

| | |
|--|--------------------|
| Sale price from cancellation of Secured Convertible Promissory by Fortify | \$ 5,000,000 |
| Sale price from Fixed Payment and Variable Payment received by the Company in May 2010 | 850,000 |
| Total Sale Price | <u>5,850,000</u> |
| UCA Assets | 8,068,390 |
| UCA Liabilities | <u>(2,988,998)</u> |
| Total basis | <u>5,079,392</u> |
| Gain on Sale | <u>\$ 770,608</u> |

NOTE 3. DISCONTINUED OPERATIONS (CONTINUATION):

| | |
|--|-------------------|
| Revenues | \$ 11,482,220 |
| Direct employee compensation and consultant expenses | 8,709,186 |
| Selling, general and administrative expenses | 2,253,452 |
| Amortization | 160,323 |
| Interest expenses | 13,258 |
| Income from discontinued operations | <u>\$ 346,001</u> |

Revenues and expenses of discontinued operations for the year ended December 31, 2009 were as follows:

In 2009, discontinued operations were until August 24, 2009 date on which ownership in UCA was transferred to Fortify. The Company did not allocate interest on its borrowings to discontinued operations and the interest expenses of discontinued operations represent interest expenses incurred by UCA directly.

During 2009, the Company shut down its operations in India and dissolved its subsidiary there. The investment in the subsidiary and related accounts including property and equipment were written off and the resulting nominal expense was charged to operations.

NOTE 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at December 31:

| | <u>2010</u> | <u>2009</u> |
|---|------------------|-------------------|
| Accounts payable and other accrued expenses | \$ 72,272 | \$ 147,483 |
| Accrued professional fees | 12,000 | 135,000 |
| Accrued interest and fees payable | - | 50,000 |
| Accrued taxes | - | 120,000 |
| | <u>\$ 84,272</u> | <u>\$ 452,483</u> |

NOTE 5. DEBT FINANCINGS

During the year ended December 31, 2009, the Company repaid \$3,869,000 of debt financings consisting of \$2,929,000 of Laurus notes and \$950,000 of short term borrowings from part of the proceeds of a \$5,000,000 Secured Convertible Promissory Note sold to Fortify (see Note 3). For the year ended December 31, 2009, \$91,862 of debt discount was accreted and recorded as amortization of debt discounts, and the Company paid financing costs of \$85,630 to third parties and lenders with respect to short term borrowings, which was charged to operations as amortization of debt issuance costs.

NOTE 6. STOCKHOLDERS' EQUITY

Warrants

Outstanding warrant securities consist of the following at December 31, 2010:

| | | Exercise Price | Expiration |
|--------------------------|----------------|-----------------------|-------------------|
| Laurus Warrants – Note 1 | 554,282 | \$ 0.001 | None |
| Others – Note 2 | <u>312,500</u> | \$ 0.82 | June 2011 |
| | <u>866,782</u> | | |

1. Warrants for 4,256,550 shares of common stock were issued to Laurus in 2006 in connection with the convertible and revolving notes described in Note 5. In July and August 2007, 3,702,268 of the warrants were exercised.
2. Warrants for 312,500 shares of common stock, with an exercise price of \$.82 per share, were issued in 2006 to consultants for investment banking services.

NOTE 7. STOCK-BASED COMPENSATION

On March 3, 2005, the Board of Directors adopted the 2005 Stock Option and Grant Plan (the "Plan") pursuant to which 9,000,000 shares of common stock were reserved for issuance upon exercise of options. The purpose of the Plan is to encourage and enable the employees, directors and consultants of the Company upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. The Plan became effective on April 19, 2005.

From time to time, the Company issues stock-based compensation to its officers, directors, employees and consultants. The maximum term of options granted is generally 10 years and generally options vest over a period of one to four years. However, the Board of Directors of the Company may approve other vesting schedules. The Company has issued options to employees and non-employees under stock option agreements. Options may be exercised in whole or in part. The exercise price of stock options granted is generally the fair market value of the Company's common stock as determined by the Board of Directors on the date of grant, considering factors such as the sale of stock, results of operations, and consideration of the fair value of comparable private companies in the industry.

The fair value of each stock option award is estimated using a Black-Scholes option pricing model based on certain assumptions. The assumption for expected term is based on evaluations of expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected term at the grant date. The historical volatility of comparable companies' stock is used as the basis for the volatility assumption. The Company has never paid cash dividends, and does not currently intend to pay cash dividends, and thus assumed a 0% dividend yield. The Company did not grant any stock options during the years ended December 31, 2009 and 2008.

NOTE 7. STOCK-BASED COMPENSATION (CONTINUATION):

The following is a summary of the Company's stock option activity for the years ended December 31, 2010 and 2009:

| | Options | Weighted Average Exercise Price | Weighted Average Fair Value |
|--------------------------------|----------------|--|--|
| Outstanding, December 31, 2008 | \$ 6,050,085 | \$ 0.41 | \$ 0.28 |
| Options granted | — | — | — |
| Options exercised | — | — | — |
| Options cancelled | (525,000) | 0.35 | 0.18 |
| Outstanding, December 31, 2009 | 5,525,085 | 0.42 | 0.29 |
| Options granted | — | — | — |
| Options exercised | — | — | — |
| Options cancelled | (4,975,085) | 0.32 | 0.21 |
| Outstanding, December 31, 2009 | \$ 550,000 | \$ 1.34 | \$ 1 |
| Exercisable, December 31, 2010 | \$ 550,000 | \$ 1.34 | \$ 1 |
| Exercisable, December 31, 2009 | \$ 5,525,085 | \$ 0.42 | \$ 0.29 |

Subsequent to the sale of UCA, the Company has no operations and it has no employees except for its officers. Pursuant to the Plan's provisions requiring option holders to be in continued employment with the Company, the Company cancelled the options of the option holders who are not in the employment of the Company.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2010:

| Range of exercise price | Outstanding | | | Exercisable | | |
|----------------------------|---------------------------------|-------------------------------|----------------------------------|---------------------------------|-------------------------------|----------------------------------|
| | Average number of options | Weighted exercise price | Remaining contractual life | Average number of options | Weighted exercise price | Remaining contractual life |
| \$0.51 and above | 550,000 | \$ 1.34 | 4.6 | 550,000 | \$ 1.34 | 4.6 |
| | 550,000 | \$ 1.34 | 4.6 | 550,000 | \$ 1.34 | 4.6 |

As of December 31, 2010 options outstanding and vested did not have any intrinsic value.

NOTE 8. OTHER INCOME

During the years ended December 31, 2010 and 2009, the Company entered into legal settlements with certain vendors applicable to old accounts payable, and evaluated estimates of certain accruals, made in prior years. Based on the settlements and evaluation, the Company wrote off approximately \$81,000 in 2010 and \$213,000 in 2009 of old accounts payable and accruals, which was recorded as other income.

NOTE 9. INCOME TAXES

The Company has not been audited by the Internal Revenue Service ("IRS") or any states in connection with income taxes. The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The periods from 2006-2009 remain open to examination by the IRS and state jurisdictions. The Company believes it is not subject to any tax risk beyond the preceding discussion. The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company does not have any accrued interest or a penalty associated with any recognized tax benefits, nor was any significant interest expense recognized during the years ended December 31, 2010 and 2009.

The provision for federal and state income taxes for the years ended December 31 is as follows:

| | <u>2010</u> | <u>2009</u> |
|----------------------------------|------------------|----------------|
| Current | \$ 15,000 | 120,000 |
| Deferred | - | - |
| Total Provision for Income Taxes | <u>\$ 15,000</u> | <u>120,000</u> |

A reconciliation of the U.S. Federal statutory income tax rate to the Company's effective tax was as follows:

| | <u>2010</u> | <u>2009</u> |
|--|-------------|--------------|
| U.S. Federal statutory income tax rate (benefit) | (34)% | 34% |
| Permanent differences | | 562.5 |
| Effect of valuation allowance | 40.7 | (537.0) |
| Rate adjustment for alternate minimum tax | (1.50) | -23.8 |
| Effective tax rate | <u>5.2%</u> | <u>35.7%</u> |

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

NOTE 9. INCOME TAXES (CONTINUATION):

| | December 31, 2010 | December 31, 2009 |
|---|----------------------|----------------------|
| Deferred tax assets: | | |
| Net operating loss carry forwards | \$ 772,000 | \$ 868,000 |
| Other Reserves and allowances | | 27,000 |
| Total deferred tax asset before valuation allowance | - | 895,000 |
| Valuation allowance | <u>(772,000)</u> | <u>(895,000)</u> |
| Net deferred tax asset | <u>\$ -</u> | <u>\$ -</u> |

Significant components of the Company's deferred tax assets are as follows:

The Company had net operating loss carryforwards of approximately \$2,272,000 at December 31, 2010, which expire through 2029. The tax benefit of these losses has been completely offset by a valuation allowance due to the uncertainty of its realization. Internal Revenue Code Section 382 provides for limitations on the use of net operating loss carryforwards in years subsequent to a more than 50% change in ownership (as defined by Section 382), which limitations can significantly impact the Company's ability to utilize its net operating loss carryforwards. As a result of the sale of the shares in private offering and issuance of shares for acquisition and other transactions, changes in ownership may have occurred which might result in limitations on the utilization of the net operating loss carryforwards. The extent of any limitations as a result of changes in ownership has not been determined by the Company.

ITEM 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

As previously disclosed in the Current Report on Form 8-K filed with the SEC on July 13, 2010, on July 8, 2010, the Board of Directors of the Company appointed Arik Eshel, CPA & Assoc., PC ("Arik Eshel") as the Independent Registered Public Accounting Firm of the Company.

During the Company's two most recent fiscal years and through July 8, 2010, the Company did not consult with Arik Eshel on (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on the Company's financial statements, and Arik Eshel did not provide either a written report or oral advice to the Company that Arik Eshel concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) the subject of any disagreement, as defined in Item 304 (a)(1)(iv) of Regulation S-K and the related instructions, or a reportable event within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

On March 25, 2010, we were notified that McGladrey & Pullen, LLP ("M&P") resigned as the independent registered public accounting firm for the Company.

M&P had been the independent accountants of the Company since December 4, 2007. Their report dated May 11, 2009, on the Company's consolidated financial statements for the years ended December 31, 2008 and December 31, 2007 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, except for a "going concern" uncertainty. During the period from the inception of the engagement through the termination of the engagement, the Company had no disagreements with M&P on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which, if not resolved to M&P's satisfaction, would have caused them to make reference to the subject matter of the disagreement in connection with their reports. During our two most recent fiscal years, and the subsequent interim period through the date M&P resigned, M&P did not advise the Company as to any reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

The Company named Arik Eshel, CPA & Assoc., PC as its principal independent accountants. The decision to change accountants was approved by the Registrant's Board of Directors.

ITEM 9A. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Such controls and procedures, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our Chief Executive Officer and Principal Financial Officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (Exchange Act) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this annual report, has concluded that our disclosure controls and procedures are effective at a reasonable assurance level based on his evaluation of these controls and procedures as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the chief executive officer and principal financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our evaluation of internal control over financial reporting includes using the COSO framework, an integrated framework for the evaluation of internal controls issued by the Committee of Sponsoring Organizations of the Treadway Commission, to identify the risks and control objectives related to the evaluation of our control environment.

Based on our evaluation under the frameworks described above, our management has concluded that our internal control over financial reporting was effective as of December 31, 2010.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation requirements by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There was no change in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the quarter ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

All directors of our Company hold office until the next annual general meeting of the stockholders or until their successors are elected and qualified. The officers of our Company are appointed by our board of directors and hold office until their earlier death, retirement, resignation or removal. Our directors, executive officers and other significant employees, their ages, positions held and duration each person has held that position, are as follows:

| Name | Age | Position | With the Company since |
|--------------------------|-----|---|------------------------|
| Cristiano Germinario | 39 | Chairman, President, Chief Executive Officer and Director | December 2010 |
| Vasan Thatham | 53 | Chief Financial Officer | June 2005 |
| Stephen J. Cole-Hatchard | 53 | Director | January 2011 |

Below are the biographies of each of our officers and directors as of February 11, 2011.

CRISTIANO GERMINARIO. Mr. Germinario has been the Chairman and Chief Executive Officer of the Company since December 2010. He has over 10 years of financial management experience. Mr. Germinario is currently serving as Vice President of Worldwide Stock Transfer, LLC, a New Jersey based registered transfer agent. He has also been serving as a Director of StarInvest Group, Inc. since November 20, 2006 and Secretary of StarInvest Group since August 2007. From April 2000 to May 2006, Cristiano D. Germinario worked as a financial analyst at IIG International Investment Company, a New York based fund specialized in Trade Financing. Cristiano D. Germinario holds a Masters Degree in Political Science from the University of Bologna, Italy.

VASAN THATHAM. Vasan Thatham has been the Chief Financial Officer of the Company since June 2005. Prior to joining the Company, from February 1999 through June 2005, Mr. Thatham was Vice President and Chief Financial Officer of Provo International, Inc., a company engaged in providing Internet and telecommunications services. Prior to that, Mr. Thatham held various positions with Esquire Communications, Ltd., Strings Ltd., Ernst & Young in Kuwait and KMPG Peat Marwick in India. Mr. Thatham is a chartered accountant under the laws of India.

STEPHEN J. COLE-HATCHARD. Stephen J. Cole-Hatchard became a director of the Company in January 2011. Mr. Cole-Hatchard has been a detective with the Town of Clarkstown Police Department of New City, New York since 1984. He has also been a practicing attorney since 1989 and has been in private practice since May 2005 where he specializes in municipal law and commercial litigation, employment issues, and appeals matters. Mr. Cole-Hatchard holds a Juris Doctor, cum laude from Pace University School of Law, White Plains, New York in 1989 and a Bachelor of Science in Criminal Justice from St. Thomas Aquinas College, Sparkill, New York in 1983.

Family Relationships

There are no family relationships among our directors or officers. None of our directors or officers has been affiliated with any company that has filed for bankruptcy within the last five years. We are not aware of any proceedings to which any of our officers or directors, or any associate of any such officer or director, is a party adverse to our company or has a material interest adverse to it. There are no agreements with respect to the election of Directors. Other than described in Section 10 below, we have not compensated our Directors for service on our Board of Directors, any committee thereof, or reimbursed for expenses incurred for attendance at meetings of our Board of Directors and/or any committee of our Board of Directors.

Code of Ethics

On March 3, 2005, we adopted a Code of Ethics (the "Code") that applies to the Company, our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The text of the Code will be provided, without charge, upon request sent to our Secretary at 117 Randolph Avenue, Jersey City, NJ 07305

Audit Committee

The Audit Committee is responsible for making recommendations to the Board of Directors as to the selection and independence of our independent registered public accounting firm (the "Independent Auditor"), maintaining communication with the Independent Auditor, reviewing the annual audit report submitted by the Independent Auditor and determining the nature and extent of problems, if any, presented by such audit warranting consideration by our Board of Directors. Currently, the Company does not have an audit committee and in accordance with ss.3(a)(58)(B) of the Securities Exchange Act of 1934, the entire Board of Directors is acting as the Company's Audit Committee.

Compensation Committee

The Compensation Committee is a standing committee of the Board of Directors and is authorized to review and make recommendations to the Board of Directors on all matters regarding the remuneration of our executive officers, including the administration of our compensation plans. The Compensation Committee is intended to be comprised of at least three members. Currently, the Compensation Committee is comprised of only Mr. Stephen J. Cole-Hatchard.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires a company's directors, officers and stockholders who beneficially own more than 10% of any class of equity securities of the Company registered pursuant to Section 12 of the Exchange Act, collectively referred to herein as the Reporting Persons, to file initial statements of beneficial ownership of securities and statements of changes in beneficial ownership of securities with respect to the company's equity securities with the SEC. All Reporting Persons are required by SEC regulation to furnish us with copies of all reports that such Reporting Persons file with the SEC pursuant to Section 16(a). Based solely on our review of the copies of such reports and upon written representations of the Reporting Persons received by us, we believe that all Section 16(a) filing requirements applicable to such Reporting Persons have been met for 2010.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information regarding all cash and non-cash compensation earned by or paid to all of the executive officers of the Company who served during the fiscal years ended December 31, 2010 and 2009, for services in all capacities to the Company:

Summary Compensation Table

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards(2) (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|-------------------------------|------|-------------|------------|-------------------|-----------------------|---|--|-----------------------------|------------|
| Fahad Syed | 2010 | 88,000 | | | | | | | 88,000 |
| Chief Executive Officer (1) | 2009 | 371,000 | | | | | | | 371,000 |
| Vasan Thatham | 2010 | 143,180 | | | | | | | 143,180 |
| Chief Financial Officer (1&2) | 2009 | 156,939 | | | 40,062 | | | | 197,001 |

(1) For 2010 includes amounts paid for consulting.

(2) Value of option awards is the dollar amount recognized for financial statements reporting purposes with respect to fiscal year 2009. See Note 7 to Consolidated Financial Statements.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

| Name | Option Awards | | | | | Stock Awards | | | |
|------------------------|---|---|---|---------------------------|------------------------|---|--|--|--|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Plan (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) |
| Fahad Syed (CEO) | — | — | — | — | — | — | — | — | — |
| Vasan Thatham (CFO) | 300,000 | — | — | \$ 1.40 | 06/22/2015 | — | — | — | — |

Compensation of Directors

The following table sets forth information with respect to director's compensation for the fiscal year ended December 31, 2010.

DIRECTORS COMPENSATION

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Nonqualified Deferred Compensation Earnings | All Other Compensation (\$) | Total (\$) |
|------------------------|----------------------------------|-------------------|--------------------|---|---|-----------------------------|------------|
| Charlotte G. Denenberg | \$ 12,000 | | \$ — | | | | \$ 12,000 |
| Joseph Perno | \$ 12,000 | | \$ — | | | | \$ 12,000 |

2005 Stock Option Plan

In March 2005, our Board of Directors and stockholders adopted our 2005 Stock Option Plan, pursuant to which 9,000,000 shares of common stock were reserved for issuance upon exercise of options. Our stock option plan is designed to serve as an incentive for retaining qualified and competent employees, directors and consultants. Our Board of Directors or a committee of our Board of Directors administers our stock option plan and is authorized, in its discretion, to grant options under our stock option plan to all eligible employees, including our officers, directors (whether or not employees) and consultants. Our stock option plan provides for the granting of both "incentive stock options" (as defined in Section 422 of the Internal Revenue Code of 1986, as amended) and non-qualified stock options. Options can be granted under our stock option plan on such terms and at such prices as determined by the Board of Directors or its committee, except that the per share exercise price of options will not be less than the fair market value of the common stock on the date of grant. In the case of an incentive stock option granted to a stockholder who owns stock possessing more than 10% of the total combined voting power of all of our classes of stock, the per share exercise price will not be less than 110% of the fair market value on the date of grant. The aggregate fair market value (determined on the date of grant) of the shares covered by incentive stock options granted under our stock option plan that become exercisable by a grantee for the first time in any calendar year is subject to a \$100,000 limit. Options granted under our stock option plan will be exercisable during the period or periods specified in each option agreement. Options granted under our stock option plan are not exercisable after the expiration of 10 years from the date of grant (five years in the case of incentive stock options granted to a stockholder owning stock possessing more than 10% of the total combined voting power of all of our classes of stock) and are not transferable other than by will or by the laws of descent and distribution.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management And Related Stockholder Matters

The following table lists, as of February 11, 2011, the number of shares of Common Stock beneficially owned by (i) each person or entity known to the Company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each officer and director of the Company, and (iii) all officers and directors as a group. Information relating to beneficial ownership of common stock by our principal stockholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. Except as noted below, each person has sole voting and investment power.

The percentages below are calculated based on 97,053,044 shares of Common Stock issued and outstanding.

| Officers, Directors, 5% Shareholder | No. of Shares | Beneficial Ownership |
|---|----------------|----------------------|
| Scarborough Ltd. c/o Euroba Management Limited P.O. Box HM 370 Hamilton, Bermuda HM BX | 29,386,258 (5) | 30.3% |
| Beaufort Ventures PLC c/o Beaufort International Associates Limited 49 Whitehall London SW1A 2BX United Kingdom | 26,476,924 (6) | 27.30% |
| Laurus Master Fund, Ltd.(4) c/o Laurus Capital Management, LLC 335 Madison Avenue New York, NY 10017 | 5,221,393 (3) | 5.3% |
| Vasan Thatham 117 Randolph Avenue Jersey City, NJ 07305 | 300,000 (2) | (1) |
| Cristiano Germinario 117 Randolph Avenue Jersey City, NJ 07305 | 0 | (1) |
| Stephen J. Cole-Hatchard 117 Randolph Avenue Jersey City, NJ 07305 | 0 | (1) |
| All directors and executive officers as a group (3 persons) | 300,000 (2) | (1) |

- (1) Less than 1%.
- (2) Includes 300,000 shares issuable upon exercise of options.
- (3) Includes 554,282 shares issuable upon exercise of warrants.
- (4) Laurus Capital Management, LLC manages Laurus Master Fund Ltd. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by Laurus Master Fund Ltd.
- (5) Clive Dakin makes the investment decisions on behalf of Scarborough Ltd.
- (6) Tanvier Malik makes the investment decisions on behalf of Beaufort Ventures PLC

ITEM 14. Principal Accountant Fees and Services

On July 8, 2010, our Board of Directors appointed Arik Eshel, CPA & Assoc., PC (“Arik Eshel”) as the Independent Registered Public Accounting Firm of the Company and Arik Eshel audited our annual financial statements for the years ended December 31, 2010 and 2009.

Audit Fees

The aggregate fees billed or to be billed for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements, review of financial statements included in our quarterly reports and other fees that are normally provided by the accounting firm in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2010 and 2009 were \$21,000 and \$37,000, respectively.

Audit Related Fees

There were no fees billed or to be billed for audit related services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements, other than those previously reported in this Item 14, for the fiscal years ended December 31, 2010 and 2009.

Tax Fees

There were no fees billed for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice and tax planning for the fiscal years ended December 31, 2010 and 2009.

All Other Fees

There were no other fees billed for services by our independent registered public accounting firm for either audit related or non audit services for the fiscal years ended December 31, 2010 and 2009.

The Audit Committee considered and determined that the services performed are compatible with maintaining the independence of the independent registered public accounting firm.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

The Audit Committee is responsible for pre-approving all audit and permitted non-audit services to be performed for us by our Independent Registered Public Accounting Firm as outlined in its Audit Committee charter. Prior to engagement of the Independent Registered Public Accounting Firm for each year's audit, management or the Independent Registered Public Accounting Firm submits to the Audit Committee for approval an aggregate request of services expected to be rendered during the year, which the Audit Committee pre-approves. During the year, circumstances may arise when it may become necessary to engage the Independent Registered Public Accounting Firm for additional services not contemplated in the original pre-approval. In those circumstances, the Audit Committee requires specific pre-approval before engaging the Independent Registered Public Accounting Firm. Currently, the Company does not have an audit committee and in accordance with ss.3(a)(58)(B) of the Securities Exchange Act of 1934, the entire Board of Directors is acting as the Company's Audit Committee. The entire Board of Directors does not delegate to management its responsibility to pre-approve services performed by the Independent Registered Public Accounting Firm.

ITEM 15. EXHIBITS

| No. | Documents |
|-------|--|
| 2.1 | Share Exchange Agreement between the Company, NetFabric, NetFabric's shareholders and Littlehampton LLC, dated December 9, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 2.2 | Share Exchange Agreement between the Company, UCA Services, Inc. and all of the Shareholders of UCA Services, Inc. dated 20, 2005. <i>(Filed as an Exhibit to the Company's Form 8-K on May 26, 2005)</i> |
| 3.1 | Articles of Incorporation <i>(Filed with Schedule 14C Information on October 24, 2006)</i> |
| 3.2 | By-Laws. <i>(Filed as an Exhibit on the Company's 10KSB filed on April 15, 2006)</i> |
| 10.1 | Letter Agreement between Houston Operating Company, NetFabric Corporation, Macrocom Investors, LLC and Littlehampton Investments, LLC, dated March 25, 2005. <i>(Filed as an Exhibit to the Company's 10K/A filed on December 19, 2005)</i> |
| 10.2 | Financing Agreement between NetFabric and Macrocom, dated July 22, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 10.3 | Loan Agreement between NetFabric and Macrocom, dated October 14, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 10.4 | Amendment to Financing and Loan Agreement between NetFabric and Macrocom, dated December 2, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 10.5 | Distribution Agreement between NetFabric and Williams, dated November 29, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 10.6 | Lease Agreement between NetFabric and Silvermine, dated January 1, 2004. <i>(Filed as an Exhibit to the Company's 8-K filed on December 15, 2004)</i> |
| 10.7 | 2005 Stock Option Plan. <i>(Filed with Schedule 14C Information on March 21, 2005)</i> |
| 10.8 | Agreement with Macrocom Investors, LLC for Convertible Debentures dated July 19, 2005. <i>(Filed as an Exhibit on the Company's 8-K filed on July 25, 2006)</i> |
| 10.9 | Warrant, dated as October 27, 2005, issued by the Company to Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.10 | Securities Purchase Agreement, dated as of October 27, 2005, by and between the Company and Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.11 | Investor Registration Rights Agreement, dated as of October 27, 2005, by and between the Company and Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.12 | Escrow Agreement, dated as of October 27, 2005, by and among the Company, Cornell Capital Partners, LP and David Gonzalez, Esq., as escrow agent pursuant to the Securities Purchase Agreement. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.13 | Amended and Restated Security Agreement, dated as of October 27, 2005, by and between the Company and Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.14 | Amended and Restated Security Agreement, dated as of October 27, 2005, by and between the Company and Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.15 | Amended and Restated Security Agreement, dated as of October 27, 2005, by and between UCA Services, Inc. and Cornell Capital Partners, LP. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.16 | Officer Pledge and Escrow Agreement, dated as of October 27, 2005, by and among the Company, Cornell Capital Partners, LP and David Gonzalez, Esq., as escrow agent. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.17 | Form of Secured Convertible Debenture issued to Cornell Capital Partners, LP dated October 27, 2005. <i>(Filed as an Exhibit on the Company's SB-2 on November 2, 2005)</i> |
| 10.18 | Employment Agreement with Fahad Syed. <i>(Filed as an Exhibit on the Company's 10KSB filed on April 15, 2006)</i> |
| 10.19 | Amendment of The Share Exchange Agreement dated February 13, 2006 by and among NetFabric, Holdings, Inc. UCA Services, Inc. and UCA Shareholders. <i>(Filed as an Exhibit to the Company's Form 8_8K filed on February 15, 2006)</i> |
| 10.20 | Security Agreement, dated February 10, 2006, by and between the Company and Laurus Master Fund, Ltd. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |

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|-------|---|
| 10.21 | Secured Convertible Note, dated February 10, 2006, by and between the Company and Laurus Master Fund, Ltd. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.22 | Secured Non-Convertible Note, dated February 10, 2006, by and between the Company and Laurus Master Fund, Ltd. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.22 | Option, dated February 10, 2006, by the Company. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.23 | Registration Rights Agreement, dated February 10, 2006, by and between the Company and Laurus Master Fund, Ltd. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.24 | Subsidiary Guaranty, dated February 10, 2006 from NetFabric Corporation and UCA Services, Inc. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.25 | Letter agreement, dated February 10, 2006 between the Company and Laurus Master Fund. <i>(Filed as an Exhibit to the Company's Form 8-K filed on February 15, 2006)</i> |
| 10.27 | Form of Convertible Debenture dated April 19, 2006 issued by the Company. <i>(Filed as an Exhibit to the Company's Form 8-K filed on April 19, 2006)</i> |
| 10.28 | Form of Warrant, dated April 19, 2006 issued by the Company. <i>(Filed as an Exhibit to the Company's Form 8-K filed on April 19, 2006)</i> |
| 10.29 | Convertible Note Purchase Agreement, dated March 12, 2009, by and among NetFabric Technologies, Inc., d/b/a UCA Services, Netfabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 10.30 | Secured Convertible Promissory. Secured Convertible Promissory Note, dated March 12, 2009, by and among NetFabric Technologies, Inc., d/b/a UCA Services, Netfabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 10.31 | Credit Agreement, dated March 12, 2009, by and among NetFabric Technologies, Inc., d/b/a UCA Services, Netfabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 10.32 | Security Agreement, dated March 12, 2009, by and among NetFabric Technologies, Inc., d/b/a UCA Services, Netfabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 10.33 | Stock Pledge Agreement, dated March 12, 2009, by between NetFabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 10.34 | Option and Purchase Agreement, dated March 12, 2009, by and among NetFabric Technologies, Inc., NetFabric Holdings Inc. and Fortify Infrastructure Services, Inc. <i>(Filed an Exhibit on the Company's 8-K dated March 13, 2009)</i> |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification (CEO)* |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification (CFO)* |
| 32.1 | Section 1350 Certification (CEO)* |
| 32.2 | Section 1350 Certification (CFO)* |

* Filed herewith.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 3, 2011

/s/ Cristiano Germinario

Cristiano Germinaro, Chairman, President,
Chief Executive Officer and Director
(principal executive officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 3, 2011

/s/ Cristiano Germinario

Cristiano Germinaro, Chairman,
President, Chief Executive Officer, Director
(principal executive officer)

Date: March 3, 2011

/s/ Vasan Thatham

Vasan Thatham, Chief Financial
Officer (principal accounting officer)

Date: March 3, 2011

/s/ Stephen J. Cole-Hatchard

Stephen J. Cole-Hatchard, Director

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Cristiano Germinaro certify that:

1. I have reviewed this annual report on Form 10-K of NetFabric Holdings, Inc. (the "registrant") for the fiscal year ended December 31, 2010.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s), and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer, and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 3, 2011

/s/ Cristiano Germinaro

Name: Cristiano Germinaro

Title: Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)

EXHIBIT 31.2
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Vasan Thatham certify that:

1. I have reviewed this annual report on Form 10-K of NetFabric Holdings, Inc. (the "registrant") for the fiscal year ended December 31, 2010.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s), and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer, and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 3, 2011

/s/ Vasan Thatham

Name: Vasan Thatham

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 32.1
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Cristiano Germinaro, the Chairman, President, Chief Executive Officer, and Director of NetFabric Holdings, Inc (the "Registrant"), certifies, under the standards set forth and solely for the purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K of the Registrant for the year ended December 31, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

March 3, 2011

/s/ Cristiano Germinaro

Name: Cristiano Germinaro

Title: Chairman, President, Chief Executive Officer and Director
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to NetFabric Holdings, Inc. and will be retained by NetFabric Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Vasan Thatham, Chief Financial Officer of NetFabric Holdings, Inc (the "Registrant"), certifies, under the standards set forth and solely for the purposes of 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge, the Annual Report on Form 10-K of the Registrant for the year ended December 31, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

March 3, 2011

/s/ Vasan Thatham

Name: Vasan Thatham

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to NetFabric Holdings, Inc. and will be retained by NetFabric Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 21.1

Subsidiaries of NetFabric Holdings, Inc.

Name Jurisdiction of Incorporation

NetFabric Corporation, a Delaware corporation
