

18 August 2008

**Phorm, Inc. ("Phorm" or the "Company")
Phorm Elects Steven J. Heyer as Independent Board Chairman**

Phorm (AIM: PHRM and PHRX), the advertising technology company, today announces the election of Non-Executive Director, Steven J. Heyer, as Board Chairman. Kent Ertugrul will continue to lead the Company as Chief Executive Officer, driving the implementation of Phorm's business strategy and technology. The appointment takes effect immediately and will strengthen Phorm's corporate governance while providing a solid leadership platform for future growth as the Company moves to the next stage of its development.

Mr. Heyer, aged 56, joined the Phorm Board in October 2007 and brings with him over three decades of global management experience, strong marketing skills and a deep knowledge of the development of brands. He is the Co-Chairman and CEO of Fathom Studios, a CG animation company, and the former CEO of Starwood Hotels & Resorts Worldwide; President and COO of Coca-Cola Company; President and COO of Turner Broadcasting System, Inc.; and President and COO of Young and Rubicam, Inc. Mr. Heyer is also a member of the Board of Directors of Lazard Group, Omnicare Inc., Vitruve Inc., a social networking company, NCAA, and Special Olympics.

Kent Ertugrul, Chief Executive Officer of Phorm, Inc., said: "Splitting the role of Chairman and Chief Executive will enable me to focus more of my time and efforts on driving our vision. I am very pleased to be working even more closely with Steve. Steve's broad business experience, commercial acumen and deep knowledge of the media, advertising and ISP industries will continue to prove invaluable to Phorm going forward. Our collaboration has proved very effective in implementing our vision for Phorm. We have the right strategy in place and great momentum and I am confident this change will further strengthen our business."

Steven Heyer commented: "Kent and the management team have made very significant progress in executing the Company's strategy, developing Phorm's proprietary technology platform and building strong relationships with ISPs, advertisers and publishers. Our strategy is sound and, as Chairman, I look forward to working even more closely with Kent, our team and our partners. We are all very enthusiastic about Phorm's future growth potential. The Board is committed to positioning the Company for success and delivering value to our shareholders."

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About Phorm:

Phorm is an innovative technology company specialising in delivering behaviourally and contextually targeted advertising while preserving users' personal privacy and security.

Phorm's partners include leading Internet Service Providers (ISPs), Publishers, Ad Networks and Advertisers.

Phorm is a Delaware corporation, with offices in New York, London and Moscow. The Company was admitted to the AIM market of the London Stock Exchange in 2004 and has over 100 employees.

For more information, please visit: www.phorm.com.