

27 July 2007

**Phorm, Inc.**  
**("Phorm" or the "Company")**  
**Director/PDMR Shareholding**

The Company (AIM: PHRM and PHRX) announces that on 27th July, 2007, Kent Ertugrul (Chairman and Chief Executive Officer) has pledged 500,000 common shares in the Company (the "Shares"), as security in connection with loan facilities arranged by him. Mr. Ertugrul has informed the Company that he has no current intent to sell the Shares.

Under the AIM Rules, entry into such an agreement constitutes a dealing by Mr Ertugrul and, as a result, requires disclosure to the market.

The Shares represent approximately 19.27% of Mr Ertugrul's 2,594,412 common share holdings. Following the signing of the loan, Mr Ertugrul's approximately 21.47% interest in the Company's issued share capital remained unchanged.

For Enquiries

Phorm, Inc. +44 870 405 7722  
Kent Ertugrul (Chairman and Chief Executive)

Edelman Financial PR  
Paul Lockstone +44 7876 685 200  
Sorrel Beynon +44 7980 687 255

Canaccord Adams Limited +44 20 7050 6500  
Nominated Adviser  
Mark Williams  
Andrew Chubb