

Phorm, Inc. ("Phorm" or the "Company")

Grant of options

The Company (AIM: PHRM and PHRX) announces that on 24 March 2009, it approved a new long-term incentive package for its Chairman and Chief Executive, Kent Ertugrul. Accordingly, Mr Ertugrul has been granted 850,000 options (the "Options") over common shares in the Company (PHRM shares).

The options have a 10-year term and were granted in three tranches, each with a different exercise price and vesting conditions. The first tranche of 200,000 options has an exercise price of £3.75 (PHRM share value as of the 24 March 2009 grant date) and vests equally over three years. The second tranche of 200,000 options also has an exercise price of £3.75 and vests if certain targets of the Company are met within three years of the grant. The third tranche of 450,000 options has an exercise price of £10.00 and vests in 75,000 option increments if certain targets of the Company are met within five years.

In addition, Mr Ertugrul has, with effect from 16 March 2008 and for a period of one year, chosen to replace 20% of his salary in options over common shares in the Company (PHRM shares) at an exercise price of £3.75 per share. These options will vest monthly over the year and will have a term of 10 years. Over the course of the year, Mr Ertugrul will be granted 35,871 such options in lieu of salary.

As part of Mr Ertugrul's new long-term incentive package, he has agreed to cancel previous option grants amounting to 980,707 options over common shares in the Company with exercise prices ranging between £2.15 and £18.05, and a weighted average price of £5.48. Such cancelled options vested only if certain targets of the Company were met within the Options term.

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About Phorm:

Phorm is an innovative advertising technology company specialising in interest-based advertising which preserves users' personal privacy and security. Phorm's partners include leading Internet Service Providers (ISPs), Publishers, Ad Networks and Advertisers.

Phorm is a Delaware, US incorporated company, with offices in New York and London.

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