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19 March 2008

Phorm, Inc. (“Phorm” or the “Company”)

Placing to raise £32 million (US\$65 million) (the “Placing”)

Further to the announcement of 11 March 2008, Phorm (AIM: PHRM and PHRX), the advertising technology company, today announces that bookrunners Canaccord Adams Limited and Morgan Stanley & Co. International plc, on behalf of the Company, have conditionally placed with investors 1,610,000 new common shares of US\$0.001 in the capital of the Company (the “Placing Shares”) at £20.00 per share, to raise approximately £32 million (US\$65 million) before expenses. The Placing is conditional, *inter alia*, upon admission of the Placing Shares to trading on the AIM market of the London Stock Exchange plc (“AIM”).

On 14 February 2008, the Company announced exclusive agreements with UK internet service providers (“ISPs”) BT PLC, TalkTalk and Virgin Media Inc to implement Phorm’s online advertising platform, the Open Internet Exchange (“OIX”), and the associated consumer internet feature, Webwise. Phorm intends to use the proceeds from the Placing to continue this implementation in the UK and for general working capital purposes, as the Company continues its discussions with other ISPs both in the UK and other markets.

Application will be made for the Placing Shares to be admitted to trading on AIM and trading is expected to commence on 27 March 2008. The Placing Shares will represent approximately 11.6 per cent. of the enlarged issued common share capital of the Company.

Following the Placing, the total issued share capital of the Company will comprise 13,831,224 common shares with a nominal value of US\$0.001 each, each common share conveying the right to one vote. Phorm does not hold any shares in Treasury.

Enquiries:

Kent Ertugrul (Chairman & Chief Executive) +44 20 7638 9571
Lynne Millar (Chief Financial Officer)

Citigate Dewe Rogerson +44 20 7638 9571
Simon Rigby
Justin Griffiths

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

Morgan Stanley & Co. International plc +44 20 7425 8000
Jean Abergel
Jon Bathard-Smith