

6 July 2009

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

Statement on UK operations

Phorm (AIM: PHRM and PHRX), the personalisation technology company, made the following statement today:

We note press comment regarding the status of our UK deployment. This comes in response to a statement that BT has made, as follows:

"We continue to believe the interest based advertising category offers major benefits for consumers and publishers alike. However, given our public commitment to developing next generation broadband and television services in the UK we have decided to weigh up the balance of resources devoted to other opportunities. Given these resource commitments, we don't have immediate plans to deploy Webwise today. However the interest based advertising market is extremely dynamic and we intend to monitor Phorm's progress with other ISPs and with Webwise Discover before finalising our plans."

As regards our UK deployment, Phorm's activities remain ongoing and we look forward to creating the conditions necessary for UK ISPs to move to deployment. In parallel, we continue to focus considerable effort on faster moving overseas opportunities. In so doing we have already minimised our dependency on the deployment by any single ISP or in any particular market. In addition to making excellent progress in South Korea, we are engaged in more than 15 markets worldwide including advanced negotiations with several major ISPs.

These discussions have been greatly accelerated by the launch of Webwise Discover and its clear benefit to consumers, which has been viewed as a key step forward by all of our partners, including those in the UK. We remain very confident in our ability to deliver on the promise of this substantial opportunity.

Enquiries:

Phorm, Inc.

Sarah Simon +44 20 7297 2433

Citigate Dewe Rogerson +44 20 7638 9571

Simon Rigby
Justin Griffiths

Canaccord Adams Limited +44 20 7050 6500

(Nominated Adviser)
Mark Williams
Andrew Chubb

About Phorm:

Phorm is a global personalisation technology company that makes content and advertising more relevant to the consumer. Phorm's innovative platform preserves user privacy and delivers a more interesting online experience.

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, Seoul, Moscow and London.

The Company was admitted to the AIM market of the London Stock Exchange in 2004 and has over 140 employees.

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