



**FOR IMMEDIATE RELEASE**  
**FORWARD ANNOUNCES ENGAGEMENT OF INVESTMENT BANKING  
FIRM TO IDENTIFY AND EVALUATE TARGETS FOR ACQUISITION**

Pompano Beach, FL, August 21, 2008 – Forward Industries, Inc. (NASDAQ: FORD), a designer and distributor of custom carrying case solutions, today announced that it has engaged vFinance Investments, Inc., a nationally recognized investment banking firm based in Boca Raton, Florida, as its exclusive financial advisor to assist it in identifying and evaluating prospective targets for acquisition by Forward in a business combination.

Douglas W. Sabra, Forward’s Chief Executive Officer, commented, “For the past several months we have been exploring our strategic alternatives to grow, strengthen and diversify our business. With our strong balance sheet and the current economic climate, we believe the timing is ideal to position our company for its next state of growth via a synergistic acquisition. As such, we have engaged vFinance to facilitate the process of identifying and evaluating suitable candidates for such a transaction. vFinance has an excellent reputation for assisting smaller public companies like ours in achieving their strategic goals, and we are optimistic that this engagement will result in a proposed transaction in the near term.”

For its services vFinance will receive a monthly fee for a fixed duration and, if a proposed transaction is successful, a specified percentage of the value of the transaction. The terms of engagement include other customary terms and conditions.

It should be emphasized that there can be no assurance whatsoever that this engagement will result in the identification of any candidate, or the consummation of any transaction, or the conformance to any specified anticipated structure if a transaction is consummated. The Company does not expect to make further public comment with respect to this announcement unless and until its Board of Directors approves a definitive transaction.

**Note Regarding Forward-Looking Statements**

This news release contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors. Such risk factors include but are not limited to those discussed in Item 2, Part I, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and Item 1A, Part II, “Risk Factors”, included in our Quarterly Report on Form 10-Q filed August 11, 2008, with the SEC, as well as in “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007, which factors are incorporated herein by reference.

Such risk factors include, among others, the degree of our success in winning new business from our customers and against competing vendors; the high degree of our customer concentration and, therefore, the dependence of our revenues and results of operations on order flow from these OEM customers; the inability to satisfy quality control standards required by key OEM customers resulting in a loss of material business; the resulting susceptibility of our revenues and results of operation to significant change over short periods of time; changes affecting, or the loss of, one or more of our principal OEM customers; the dependence of such revenues of certain OEM customers on the continuing efforts of certain key sales personnel; the entry into a new license with Motorola and the likelihood that we will incur significant product development and sales and marketing expense; and the potential to add materially to our inventory allowance and the effective management of inventory including in connection with our OEM customers' hub arrangements to which we are subject.

**About Forward Industries**

Forward Industries, Inc. designs and distributes custom carrying case solutions primarily for cellular phones and home medical diagnostic equipment. The Company sells its products directly to original equipment manufacturers and also markets a line of Carry Solutions under the "Motorola" brand name. Forward's products can be viewed online at [www.fwdinnovations.com](http://www.fwdinnovations.com) and [www.forwardindustries.com](http://www.forwardindustries.com).

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