

DM plc
(“DM” or the “Group”)

DLG Acquisition Update

Background

On 12 November 2008, DM, the direct marketing group specialising in customer recruitment and database management, announced the acquisition out of administration of the trade and assets of Data Locator Group Ltd and of certain associated companies (“DLG”) from the administrators of DLG for a cash consideration of £3.25 million.

DLG is one of the UK’s largest providers of consumer lifestyle data to the direct marketing industry with one of the country’s largest consumer lifestyle databases with postal details of over 20 million individuals; 4.5 million telephone numbers; 5.8 million email addresses; and 6.2 million mobile phone numbers. The DLG database covers consumer lifestyle data, purchasing habits and consumer preferences and operates in the large and growing UK consumer data services market.

DLG

DM has firmly established itself as the UK market leader in its two core market sectors of response based customer recruitment and direct mail. The acquisition of DLG presents the Group with an opportunity to rapidly establish critical mass and an influential market position in consumer lifecycle database marketing to the direct marketing industry.

DM has a track record of making selective acquisitions at the right price and rapidly improving the acquisitions’ financial performance, whilst integrating them into the wider Group. As part of the turnaround and integration process for DLG, the DM Board has today reached an agreement with Mr Hugh Villiers to become non-executive Vice Chairman of DLG, to assist the Board in the turnaround of DLG.

Hugh is a successful entrepreneur who has a proven track record in building and growing consumer lifestyle businesses having been involved in the initial development of the lifestyle data collection sector in the early 1980’s. He successfully helped found and develop CMT Ltd, Consumer Access Ltd and Consodata UK Ltd where he held the role of Managing Director at all three companies. Each of these businesses established profitable, market leading positions in their respective sectors and where ultimately subject to successful trade sales, which have, by various routes, ended up with all of them being a part of the Acxiom UK group of companies.

Hugh will, in his role as non-executive Vice Chairman of DLG, act as a consultant to the Group and will be remunerated on a success only basis by reference to the financial performance of DLG in the financial years ending 31 December 2011. The Company may, at its election, satisfy any such success-only payment due to Mr. Villiers in cash or by granting him a comparable level of nil cost options to acquire shares in the Company. It is intended that any such options will be granted within 15 business days of the publication of the Group’s results for the relevant financial year.

Share Sale and Directors Dealing

In order to further demonstrate Mr Villiers’ confidence and commitment to his role as DLG Vice Chairman, Hugh has today acquired from Adrian Williams, DM Chairman, 15,290,520 ordinary shares in DM, at 9.81 pence per share (the “Sale Shares”), for a total cost of £1.5 million. Additionally, Mr Villiers has granted a power of attorney to Adrian Williams who shall be able to vote the Sale Shares at any meetings of shareholders of DM. Such a power of attorney shall be irrevocable until the earlier of: (i) Adrian Williams ceasing to have an

interest in DM securities representing at least 51 per cent of the issued share capital of DM; and (ii) Mr Villiers ceasing to hold any ordinary shares of 1 penny each in the issued share capital of DM and/or options to subscribe for ordinary shares.

Following the sale, Mr Villiers will hold 15,290,520 ordinary shares in DM, representing 10.51 per cent. of the Group's issued share capital. Adrian Williams shareholding will be reduced by 15,290,520 ordinary shares from 117,545,565 to 102,255,045, representing a decrease of 10.51 per cent. to, in aggregate, 70.27 per cent. of the Group's issued share capital.

AIM Rule 17 Disclosure

Subject to the requirements of AIM Rule 17, Adrian Williams, Chairman, has notified DM that Olan Mills Limited, the chain of family photography businesses of which he was a director, has been placed into administration.

Outlook

The Board of DM believes that the Group has an opportunity, with the acquisition of DLG, to create a market leading fully integrated off and on-line lead generation and direct marketing services Group. The addition of Hugh Villiers to the management of the Group, with his proven track record in the consumer lifestyle industry in both growing and successfully selling consumer lifestyle businesses, enhances this vision.

Enquiries:

Adrian Williams
Chairman

Tel: 01989 769 292

Phil Adams/Adrian Reed
Altium, Financial advisor to DM

Tel: 0161 831 9133