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**THIS ANNOUNCEMENT IS NOT A PROSPECTUS AND INVESTORS SHOULD NOT SUBSCRIBE FOR OR PURCHASE ANY SHARES REFERRED TO IN THIS ANNOUNCEMENT EXCEPT ON THE BASIS OF INFORMATION IN THE CIRCULAR TO SHAREHOLDERS EXPECTED TO BE PUBLISHED BY DM PLC TODAY IN CONNECTION WITH THE OPEN OFFER.**

**DM plc**  
**("DM", the "Group" or the "Company")**

**Acquisition of PDV and**  
**Open Offer of 20,788,637 Ordinary Shares at 5 pence per share**  
**on the basis of 1 Open Offer Share for every 7 Existing Ordinary Shares**

The Group announces today that it has acquired PDV, an online and offline lead generation business, for an initial cash payment of £200,000 and a maximum aggregate consideration, including deferred consideration and earn-out, of approximately £1.13 million together with a fully underwritten equity Fundraising of 20,788,637 Ordinary Shares at 5 pence per share, on the basis of 1 Open Offer Share for every 7 Existing Ordinary Shares to raise £1.04 million (before expenses).

**Highlights**

*Acquisition of PDV*

- Acquisition of PDV, an online and offline lead generation business for a maximum aggregate consideration of approximately £1.13 million.
- Strengthening of the Group's position as a leading provider of database management services following the acquisition of DLG in November 2008.
- Further step in achieving the Board's strategy to create a market leading, fully integrated online and offline lead generation and direct marketing services business.

*Fundraising*

- Fundraising to raise £1.04 million before expenses (£1 million after expenses).
- The Open Offer is to be made by way of a Circular to be sent to Qualifying Shareholders who will be given the opportunity to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at a price of 5 pence per Open Offer Share on the following basis: **1 Open Offer Share for every 7 Existing Ordinary Shares**.
- The Open Offer is fully underwritten by Adrian Williams, Chairman of the Group, at nil cost to the Company.

- Net proceeds to be utilised to satisfy the immediate and short to medium term cash costs of the Acquisition, as well as providing additional capital to strengthen the balance sheet of the Group. This will provide additional working capital for the Group and significantly increase DM's covenant headroom.
- Irrevocable undertakings from the executive Directors of the Group to take up their Open Offer Entitlements, representing 71.11 per cent. of the Group's issued share capital prior to the Proposal.
- Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Dealings are expected to commence in the Open Offer Shares on 28 April 2009.
- The Circular to Shareholders setting out details of the Open Offer, accompanied by the Application Form (if applicable), is expected to be posted to Shareholders today.

For further information, please contact:

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This summary should be read in conjunction with the detailed announcement which follows.

Paragraph 13 of the full announcement contains the definitions of certain terms used in this summary and the full announcement. This announcement does not constitute, or form part of, an offer to sell, or the solicitation of an offer to subscribe for or buy, any of the Open Offer Shares to be issued in connection with the Open Offer.

The release, publication or distribution of this announcement in jurisdictions other than the UK may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdiction.

A circular to Shareholders containing the details relating to the Open Offer (the "Circular") is expected to be dispatched today.

This announcement is not for release, publication or distribution, directly or indirectly, in whole or in part, in or into the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction and does not constitute, or form part of, an offer or the solicitation of an offer, or inducement, or invitation to subscribe for, buy, underwrite or otherwise acquire, any rights, shares or other securities, nor shall there be any sale, issue or transfer of shares in the Company in any jurisdiction in contravention of applicable law. Any offer, invitation or inducement to acquire shares in the Company will be made solely by means of the Circular as updated by any supplementary circular, and in the Application Form and any decision to keep, buy or sell shares in the Company should be made solely on the basis of the information contained in such document(s).

The Open Offer Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Open Offer Shares or the accuracy or adequacy of this announcement or the Circular. The securities referred to herein have not been and will not be registered under the US Securities Act and may not be sold or offered in the United States unless registered under the US Securities Act or any applicable exemption from such registration. No public offering of Open Offer Shares will be made in the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction.

This announcement includes statements that are, or may be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'beliefs', 'estimates', 'plans', 'anticipates', 'targets', 'aims', 'continues', 'expects', 'intends', 'may', 'will', 'would' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's result of operations, financial condition, liquidity, prospects, growth strategies and the markets in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: market position of the Group, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the events described herein and the Group. Forward-looking statements contained in this announcement based on these trends or activities should not be taken as a representation that such trends or activities will continue in the future.

**DM plc**  
**("DM", the "Group" or the "Company")**

**Acquisition of PDV and**  
**Open Offer of 20,788,637 Ordinary Shares at 5 pence per share**  
**on the basis of 1 Open Offer Share for every 7 Existing Ordinary Shares**

**1. Introduction**

DM today announces the acquisition of PDV, an online and offline lead generation business, for an initial cash payment of £200,000 and a maximum aggregate consideration, including deferred consideration and earn-out, of approximately £1.13 million, along with a fully underwritten equity Fundraising of approximately £1.04 million (before expenses). The Fundraising is to be conducted by way of a fully pre-emptive Open Offer made to holders of existing Ordinary Shares on the basis of 1 Open Offer Share for every 7 Existing Ordinary Shares at 5 pence per Open Offer Share.

The proceeds of the Fundraising will be used to satisfy the immediate and short to medium term cash costs of the Acquisition, as well as providing additional capital to strengthen the balance sheet of the Group. This will provide additional working capital for the Group and significantly increase DM's covenant headroom during the current challenging financial environment.

The Board believes that the Acquisition, supported by the proceeds of the Fundraising, will allow DM to further enhance the Group's position as a leading provider of database management services. It will also provide the comfort of an enhanced capital structure giving the Group additional financial strength to

support the Board's strategy to create a market leading, fully integrated online and offline lead generation and direct marketing services business.

## **2. Information on PDV**

PDV has been acquired for the following total aggregate consideration:

- an initial payment of £200,000 in cash;
- a payment of £27,572 on account of savings in lease payments;
- a payment of 50 per cent. of savings in taxation after utilisation of tax losses accrued up to completion of the Acquisition; and
- the payment of an earn-out based on the future performance of the business.

The tax loss payment is equal to 50 per cent. of the aggregate of the corporation tax saved by PDV in the accounting periods of PDV ending on or before 31 December 2011 utilising relief relating to the losses of PDV accrued up to completion of the Acquisition. The maximum aggregate payment in this respect is £250,000.

The earn-out is based on a percentage of the turnover of PDV in the period from completion of the Acquisition to 31 December 2010. The total earn-out is subject to a maximum aggregate payment of £650,000 and linked to achieving certain minimum monthly revenue targets over the respective period.

The maximum cash cost of the Acquisition, including up-front payment, lease obligations and earn-out is £1,127,572.

PDV is a respected player in the online and offline lead generation sector and owns lead generating portals such as [www.fair-exchange.com](http://www.fair-exchange.com) (which is a highly ranked UK gambling and rewards site) and [www.free-dvd-club.com](http://www.free-dvd-club.com). The Acquisition will further enhance the Group's newly expanded Database Management division, which has become a major building block in DM's future strategy following the acquisition of DLG in late 2008.

PDV generates responsive sales leads from online audiences, email campaigns, online co-registration and affiliate networks alongside third party data acquisition via database purchases. The quality of this data is then verified before being rented to PDV's clients to generate sales leads via online marketing campaigns, banner advertising, telephone campaigns, list rental and revenue sharing arrangements with blue chip clients in the UK. At the time of the Acquisition, PDV had approximately 4 million registered users with c. 2.1 million opt-in name and postal addresses and c. 1.2 million active email addresses, generating, on average, 8-10 million email "broadcasts" per month and c. 7 million banner impressions per month. This activity generates approximately 80-100,000 new online sales leads per month.

Following the Acquisition, it is anticipated that the front-end marketing and operations of PDV will remain independent within the Group's Database Marketing division. This will enable PDV to retain its existing brand independence but benefit from back-end integration into the Group, yielding cross-selling and cost saving synergies. The Board firmly believes that the Acquisition provides an excellent opportunity to further enhance the Group's existing position in online and offline lead generation following the 2008 acquisition of DLG, which together will now give DM a major presence across a wide range of media and a strong customer base.

### **3. Details of the Open Offer**

Your Board has today announced that it intends to raise approximately £1.04 million (before expenses) by way of a fully underwritten Open Offer, thus allowing the Group's existing Shareholders the opportunity to participate in the Fundraising. The Open Offer has been fully underwritten by Adrian Williams, the Chairman of the Group.

The terms of the Open Offer and the Underwriting are described in the Circular to Shareholders expected to be dispatched today. With the exception of Admission of the Open Offer Shares to trading on AIM, the Proposal is not conditional, *inter alia*, on the Acquisition (which has completed unconditionally), the level of applications to subscribe under the Open Offer or the approval of Shareholders.

The net proceeds of the Open Offer are expected to be approximately £1 million and will be used to both fund the cash costs and working capital requirements associated with the Acquisition (details of which are set out in paragraph 2 above) and to strengthen the Group's balance sheet. The Board believes that the Fundraising is in the best interests of the Group and Shareholders as a whole as it will provide additional headroom in the Group's banking facilities and covenant position in order for the Group to progress its current business plan.

Under the Open Offer, Qualifying Shareholders are invited to apply for Open Offer Shares at a price of 5 pence per Open Offer Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

#### **1 Open Offer Share for every 7 Existing Ordinary Shares**

held at the Open Offer Record Date and so on in proportion for any other number of Existing Ordinary Shares then held. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued but will be aggregated and allotted to Adrian Williams under the terms of the Underwriting Arrangement.

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 28 April 2009, (or such later date being not later than 8.00 a.m. on 28 May 2009, as the Group may decide):

- (i) the Underwriting Arrangement being unconditional in all respects and not having been terminated in accordance with its terms; and
- (ii) Admission becoming effective by 8.00 a.m. on 28 April 2009, (or such later time or date not being later than 8.00 a.m. on 28 May 2009 as the Group may decide).

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Certain Directors have given irrevocable undertakings to take up in full their respective Open Offer Entitlements, with respect to, in aggregate, 103,479,921 Existing Ordinary Shares, representing 71.11 per cent. of the issued share capital of the Company prior to the Proposal. Further details are contained in paragraph 7 below.

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their existing holdings. Qualifying Shareholders may not make applications in excess of their *pro rata* initial entitlement. To the extent that Open Offer Shares are not subscribed by existing Shareholders, Open Offer entitlements will lapse and the related Open Offer Shares will be issued pursuant to the Underwriting Arrangement.

### ***Settlement and dealings***

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 28 April 2009.

### ***Overseas Shareholders***

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer.

## **4. Underwriting Arrangement**

The Open Offer has been fully underwritten by the Chairman of the Group, Adrian Williams. The obligation on Mr Williams to subscribe for Open Offer Shares under the Underwriting Arrangement is limited to those Open Offer Shares that are not otherwise subscribed for by the holders of Existing Ordinary Shares. Furthermore, Mr Williams will not be Underwriting the Open Offer Shares over which certain Directors have given irrevocable undertakings to take up. In light of the respective size of the Fundraising, Adrian Williams has agreed to provide the Underwriting pursuant to the Underwriting Arrangement at nil cost to the Company.

## **5. Use of proceeds**

The net proceeds of the Open Offer are expected to be approximately £1 million and will be used both to fund the cash costs and working capital requirements associated with the Acquisition (details of which are set out above in paragraph 2) and to strengthen the Group's balance sheet. The Board believes that the Fundraising is in the best interests of the Group and Shareholders as a whole as it will provide additional headroom in the Group's banking facilities and covenants in order for the Group to progress its current business plan.

## **6. Current trading and future prospects**

On 9 March 2009, the Group announced its preliminary results for the twelve months ended 31 December 2008. The major event of 2008 was the transformational acquisition of the trade and assets of DLG for a cash consideration of £3.25 million. This acquisition in November 2008 of a business which, as recently as October 2007, was the subject of a £72.5 million secondary buy-out, gave the Group the critical mass it was seeking in database products and services and in one move made DM a major player in the database management sector.

The integration of DLG is proceeding well and has already established the Group's position as a major consumer lifestyle management business. The Board believes that the opportunity to acquire PDV will further enhance this position and will strengthen the Group's stated strategy to become a market leading, fully integrated off and online lead generation and direct marketing business.

Over the twelve month period to 31 December 2008, the Group reported robust trading figures including like for like profit after tax, based on prior year operations and excluding DLG, of £3.53 million, up 4 per cent. (2007: £3.40 million). The operating margin was up a record 31 per cent., transforming the business into a fully integrated direct marketing group and laying the foundation for future growth. Full year turnover was £18.27 million, down 9 per cent. (2007: £20.01 million), with a record turnover in the second half of £10.78 million, up 30 per cent. on the first half when taking into account the additional revenue of the DLG acquisition.

EBITDA for the year was £4.50 million, down 19 per cent. (2007: £5.58 million). The Group's consolidated profit before tax was down to £4.16 million (2007: £4.88 million). However, this included exceptional, one-off costs of £613,000 and was based on turnover down 9 per cent. Gross profit was up 8 per cent. to £8.57 million (2007: £7.93 million).

As at 31 December 2008, the Group ended the year with a net debt position of £8.09 million (2007: net surplus £0.22 million). In addition to funding the cash costs of the Acquisition, one of the principal reasons for undertaking the Fundraising is to provide the Group with the level of capital and increased headroom in its banking facilities that the Board believes is appropriate following the acquisitions of DLG and PDV, which were unforeseen at the time of the decision to pay the substantial interim dividend of 3.5 pence per Ordinary Share announced on 16 October 2008, which returned £5.08 million of value to Shareholders. The proceeds of the Fundraising retained by the Group will provide a cash buffer whilst the recent acquisitions are integrated.

The Board believes that it is appropriate to undertake the Open Offer to enable the Group to acquire PDV and also to strengthen the balance sheet and provide further working capital. To this end, the Board believes that the Open Offer is the most equitable method to allow as many Shareholders as possible to participate in the Group's future.

The Board is confident of continued progress and that once the successful integration of DLG and PDV has been achieved, in combination with the Open Offer, the recent corporate activity will ultimately improve the Group's ability to generate enhanced Shareholder returns in the future.

A copy of the preliminary results for the twelve months ended 31 December 2008 is available at the Group's website: [www.dmplc.com](http://www.dmplc.com).

## **7. Irrevocable undertakings**

The Group has received irrevocable undertakings to take up in full their Open Offer Entitlements from the following Directors, holding in aggregate, 103,479,921 Existing Ordinary Shares representing approximately 71.11 per cent. of the Group's issued share capital prior to the Proposal.

<b>Name</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of existing share capital</b>
Adrian Williams	102,255,045	70.27%
Wendy Ruck	1,181,965	0.81%
Mark Winter	42,911	0.03%

## **8. Action to be taken in respect of the Open Offer**

Details in relation to the procedure for Shareholders wishing to apply for Open Offer Shares under the Open Offer are set out in the Circular and Application Form.

**The latest time for applications to be received under the Open Offer is 11.00 a.m. on 27 April 2009. The procedure for application and payment depends on whether, at the time at which application and payment is made, Shareholders have an Application Form in respect of their entitlement under the Open Offer or have Open Offer Entitlements credited to their stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part II of the Circular. Further details also appear on the Application Form which will be sent to Qualifying non-CREST Shareholders. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with the Open Offer.**

## **9. Recommendation**

**The Directors consider the Proposal to be in the best interests of the Company and its Shareholders as a whole.**

## **10. Availability of Circular**

The Circular setting out details of the Open Offer, accompanied by the Application Form (if applicable), is expected to be posted to Shareholders today.

Copies of the Circular will be available for a period of 12 months from the date of the Circular on the Company's website ([www.dmplc.com](http://www.dmplc.com)) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

## **11. Expected timetable of principal events**

Open Offer Record Date	5.00 p.m. on 6 April 2009
Announcement of the Open Offer	8 April 2009
Dispatch of Circular	8 April 2009
Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	9 April 2009
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. 21 April 2009
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 22 April 2009
Latest time for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 23 April 2009
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 27 April 2009
Admission effective and dealings commence on AIM	28 April 2009
Open Offer Shares credited to CREST accounts	28 April 2009

Date of despatch of definitive share certificates for Open Offer Shares

by 8 May 2009

## 12. Open Offer statistics

Open Offer Price	5 pence
Number of Ordinary Shares in issue at the date of this announcement	145,520,457
Authorised share capital of the Company	2,000,000,000
Number of Open Offer Shares to be offered for subscription by the Company	20,788,637
Proceeds of the Open Offer (before expenses)	£1,039,432
Percentage of the Enlarged Issued Share Capital represented by the Open Offer Shares	12.5 per cent.
Number of Ordinary Shares in issue at Admission	166,309,094

## 13. Definitions

"Acquisition"	the acquisition of PDV by DM pursuant to a sale and purchase agreement entered into between DM and the shareholders of PDV dated 7 April 2009
"Admission"	admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM rules for Companies published by the London Stock Exchange relating to AIM, as amended from time to time
"Application Form"	the application form to be used by Qualifying non-CREST Shareholders in connection with the Open Offer
"Capita Registrars"	a trading name of Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
"certificated form" or "in certificated form"	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
"DM", "Company" or "Group"	DM plc
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator (as defined in those regulations)

"Directors" or "Board"	the directors of the Company or any duly authorised committee thereof
"DLG"	Data Locator Group Limited
"Enlarged Issued Share Capital"	the 166,309,094 Ordinary Shares in issue on Admission, following completion of the Proposal
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Ordinary Shares"	the 145,520,457 Ordinary Shares of 1 pence each in the capital of the Company in issue at the date of this announcement, all of which are admitted to trading on AIM
"holders"	a registered holder and includes any person entitled by transmission
"London Stock Exchange"	London Stock Exchange plc
"Open Offer Price"	5 pence per new Ordinary Share
"Open Offer Shares"	the 20,788,637 Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
"Open Offer"	the conditional offer to Qualifying Shareholders to subscribe for the Open Offer Shares at the Offer Price, as described in the Circular
"Open Offer Entitlements"	entitlements to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
"Open Offer Record Date"	5.00 p.m. on 6 April 2009
"Ordinary Shares"	Ordinary shares of 1 pence each in the capital of the Company
"Overseas Shareholders"	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
"PDV"	PDV Limited
"Proposal" or the "Fundraising"	the fundraising of £1.04 million (before expenses) via the Open Offer set out in the Circular
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Open Offer Record Date are held in uncertificated form
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Open Offer Record Date are held in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares at the Open Offer Record Date
"Restricted Jurisdiction"	any jurisdiction where the extension or acceptance of the Open Offer

	would contravene securities laws or regulations of that jurisdiction
"Shareholders"	holders of Ordinary Shares
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
"uncertificated" or "in uncertificated form"	an ordinary share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST
"Underwriting Arrangement"	the conditional underwriting arrangement contained in an irrevocable undertaking and underwriting commitment agreement entered into by Adrian Williams on 6 April 2009 and "Underwriting" shall be construed accordingly