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

Regulatory Update

The Group has previously announced that proceedings were being taken by the Office of Fair Trading ("OFT") in relation to certain promotions undertaken by certain Group companies. Following a hearing which took place in January 2011, the High Court has now handed down a judgment, made on 2 February 2011, in relation to those proceedings.

There had for some time been uncertainty surrounding the relevant law applying to the industry sector within which those Group companies operate. This uncertainty resulted in lengthy discussions between the OFT and the Group companies. The discussions did not resolve the uncertainty such that it was concluded that clarification of the law in relation to promotions was necessary which meant that the issues were referred to the Court for clarification.

The major issues in the case had not been tested before a Court previously. The Court has now delivered a detailed and considered judgment and DM welcome the clarity brought by it. In making its decision the Court decided that in certain respects the promotions concerned did infringe the relevant regulations. In other respects the Court did not accept the OFT's contentions of infringement.

There will now follow a period of discussion between the OFT and the Group companies before a final order is made by the Court. The proceedings will not result in a fine of any kind on the Group and at this stage there has been no ruling in relation to costs.

**** ENDS ****

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