

DM plc: Ticker: DMP / Index: AIM / Sector: Leisure facilities

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

Trading Update

On 18 March 2011 the Group announced that, following Court proceedings that were being undertaken by the Office of Fair Trading ("OFT") in relation to certain promotions produced by certain Group companies, the Court had accepted undertakings from the Group which related to certain changes required to the design and content of promotions. These undertakings took effect in respect of new promotions undertaken by the relevant Group companies after 17 March 2011.

At the time it was not possible to estimate what medium or long term effect these changes would have on the business models of these Group companies but it was expected that there would be an adverse effect on the financial performance of these Group companies.

The Court granted the Group's executives and the Group companies involved leave to appeal to the Court of Appeal in respect of the judgment of the Court, which the Group has now done, with the appeal date now set for 20th and 21st June 2011.

Due to the uncertainty over current promotion design, Group activities and financial results for the first part of 2011 have been greatly reduced and results for the year, both at a turnover and profitability level, and are running significantly behind the equivalent trading period during 2010.

Until the Group is able to complete the appeal process and able to design and test new promotions, it is expected that the ongoing level of trading will be at a much reduced level than historically achieved. The Group currently remains profitable, though at a much reduced level, and has a robust financial position, with no net debt.

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