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7 December 2011

**RECOMMENDED CASH OFFER
by
ADRIAN WILLIAMS
for
DM PLC
(to be effected by means of a Scheme of Arrangement)**

Summary

- Adrian Williams and the Independent Director of DM are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Adrian Williams to acquire the whole of the issued and to be issued share capital of DM not already owned by him. The Offer is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Offer DM Shareholders will be entitled to receive, for each DM Share held, 1.8 pence in cash.
- The Offer values the entire existing issued and to be issued share capital of DM at approximately £2.94 million and the issued share capital of DM not owned by Adrian Williams at approximately £0.48 million.
- This represents a premium of approximately:
 - 44.0 per cent. to the Closing Price per DM Share of 1.25 pence on 6 December 2011, the last business day prior to the commencement of the Offer Period; and
 - 20.5 per cent. to the average Closing Price of 1.43 pence per DM Share for the three month period prior to the commencement of the Offer Period.
- The Independent Director of DM, who has been so advised by its financial adviser, Altium, considers the terms of the Offer to be fair and reasonable so far as DM Shareholders are concerned. In providing its advice to the Independent Director, Altium has taken into account the commercial assessments of the Independent Director.
- Adrian Williams expects to fund the consideration payable under the Offer from his own existing cash resources.
- Adrian Williams has indicated that should the Scheme not become effective, he will utilise his shareholding in DM to seek to cancel the admission to trading of DM Shares on AIM and to re-register DM as a private company.
- The Scheme Document, containing further information about the Offer and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be posted to DM Shareholders and (for information purposes only) to participants in the DM Share Schemes on or around 9 December 2011. The Offer is to be implemented by way of a scheme of arrangement between DM and Scheme Shareholders under Part 26 of the Companies Act and in order to approve the terms of the Offer, Independent Scheme Shareholders will need

to vote in favour of the Scheme Resolutions to be proposed at the Court Meeting and the General Meeting to be convened and held on 9 January 2012. The Offer is also conditional on, among other things, the sanction of the Scheme by the Court. It is anticipated that the Scheme will become effective by 26 January 2012.

The expected timetable for the implementation of the Scheme is as follows:

Scheme Document posted to DM Shareholders	9 December 2011
Court Meeting to approve the Scheme	10.00 a.m. on 9 January 2012
General Meeting	10.05 a.m. on 9 January 2012
Court hearing to sanction the Scheme and confirm the Capital Reduction	25 January 2012 or as soon as reasonably practicable thereafter
Suspension of listing of, and dealings in, DM Shares	7.30 a.m. on 26 January 2012 or as soon as reasonably practicable thereafter
Scheme Effective Date	26 January 2012 or as soon as reasonably practicable thereafter
Cancellation of admission to trading on AIM of DM Shares	7.00 a.m. on 27 January 2012 or as soon as reasonably practicable thereafter

In accordance with Rule 2.10 of the City Code, DM confirms that as at 6 December 2011 (being the last Business Day prior to the date of this announcement), it has 163,334,094 ordinary shares of 1 pence each in issue. The International Securities Identification Number ("ISIN") for DM's ordinary shares is GB0032282294.

Enquiries:

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Adrian Williams

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The above summary should be read in conjunction with, and is subject to, the full text of the following announcement. The Offer will be subject to the Conditions and other terms set out in Appendix I to this announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II contains bases and sources of certain information contained in this summary and the following announcement. Details of the irrevocable undertaking received by Adrian Williams are set out in Appendix III to this announcement. Terms used in this summary and the following announcement have the meaning given to them in Appendix IV.

Altium, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for DM and no one else in connection with the Offer and will not be responsible to anyone other than DM for providing the protections afforded to clients of Altium or for providing advice

in relation to the Offer, the contents of this announcement or any transaction or arrangement referred to herein.

This announcement is for information purposes only and is not intended to and does not constitute or form any part of an offer to sell or the solicitation of an offer to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction. Any vote in respect of the Scheme or other response to the Offer should be made only on the basis of the information contained or referred to in the Scheme Document or any document by which the Offer is made, which will together contain the full terms and conditions of the Offer including details of how to vote in respect of the Scheme. Whether or not certain DM Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes effective, all Scheme Shares will be cancelled pursuant to the Scheme in return for the payment of 1.8 pence in cash per DM Share.

This announcement does not constitute a prospectus or prospectus equivalent document.

Notice to US investors

US holders of DM Shares may vote in respect of the resolutions to be proposed at the Shareholder Meetings. US holders should note that the Offer relates to the shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement including the City Code, which differ from the requirements of US proxy solicitation or tender offer and this announcement has been prepared in accordance with UK style and procedure for the purpose of complying with English law and US holders should read this summary and the following announcement which includes important information about DM and the DM Shares.

The receipt of cash pursuant to the Offer by a US holder of DM Shares as consideration for the cancellation of DM Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under the applicable United States state and local, as well as foreign and other, tax laws. Each US holder of DM Shares is urged to seek tax advice immediately from an independent professional adviser regarding the applicable tax consequences of the Offer.

It may be difficult to enforce rights and claims arising in connection with the Offer under the US federal securities laws since each of DM and Adrian Williams is located outside the United States and all of DM's officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved, disapproved, recommended or otherwise passed comment upon the accuracy or adequacy of this summary and the following announcement. Any representation to the contrary is a criminal offence in the United States.

Overseas jurisdictions

The laws of relevant jurisdictions may affect the availability of the Offer to persons who are not citizens, residents or nationals of the United Kingdom. Persons who are not resident in the United Kingdom, or who are citizens, residents or nationals of a jurisdiction outside of the United Kingdom, should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the laws and regulatory requirements of the relevant jurisdiction may constitute a violation of the securities laws of such jurisdiction.

The release, publication or distribution of this announcement in jurisdictions other than the UK may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements.

This announcement is not intended to be, and does not constitute or form any part of, any offer for securities for sale or purchase in any jurisdiction. The Offer will be made solely pursuant to the terms of the Scheme Document, which will contain the full terms and conditions of the Offer, including details of how to vote at the Shareholder Meetings. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Scheme Document. Unless otherwise determined by Adrian Williams and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interests or foreign commerce of, or by any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Offer may not be accepted by any other such use, means, instrumentality or facility from or within any Restricted Jurisdiction.

Accordingly, unless otherwise determined by Adrian Williams and permitted by applicable law and regulation, copies of this announcement and any other documents related to the Offer are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into any Restricted Jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from any Restricted Jurisdiction.

The Offer will be for the securities of a corporation organised under the laws of England and will be subject to the procedure and disclosure requirements of England. Since this announcement has been prepared in accordance with English law and the City Code, the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Forward-looking statements

This summary and the following announcement contains statements about Adrian Williams and DM that are or may be, forward looking statements. All statements other than statements of historical facts included in this summary and the following announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for implementing the Scheme, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of DM; (ii) business and management strategies and the expansion and growth of DM's operations; and (iii) the effects of government regulation on DM's business.

These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of DM. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date they were made. All subsequent oral or written forward looking statements attributable to Adrian Williams or DM or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this summary and the following announcement are based on information available to Adrian Williams and DM on the date hereof and are made only as of the date of this summary and the following announcement. Undue reliance should not be placed on such forward looking statements.

Subject to compliance with the City Code, neither DM nor Adrian Williams intends, or undertakes any obligation, to update any information contained in this announcement.

Dealing disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Information relating to DM Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by DM Shareholders, persons with information rights and other relevant persons for the receipt of communications from DM may be provided to Adrian Williams during the offer period as required under Section 4 of Appendix 4 of the Code.

Publication on website

In accordance with Rule 30.4 of the Code, a copy of this announcement will be available, free of charge, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on DM's website (www.dmplc.com) by no later than 12 noon on 8 December 2011 and will be available during the course of the Offer.

Neither the contents of DM's website, nor the content of any other website accessible from hyperlinks on DM's website, is incorporated into or forms part of this announcement.

- (i) 44.0 per cent. to the Closing Price per DM Share of 1.25 pence on 6 December 2011, the last business day prior to the commencement of the Offer Period; and
- (ii) 20.5 per cent. to the average Closing Price of 1.43 pence per DM Share for the three month period prior to the commencement of the Offer Period.

3. Background to and reasons for making and recommending the Offer

Background to DM

In the period since the creation of the DM Group via a reverse takeover in 2004, DM has developed into an integrated, multi-channel business.

The Group's traditional activities cover gamecard and direct marketing mailings which generate the majority of their income from premium rate phone lines and texts. Additional complementary activities in consumer lifestyle database management and direct marketing have been developed both organically and via selective acquisitions.

In early 2010, a range of operating bans were imposed on certain of the Group's competitors in the gamecard sector by the premium rate regulator, PhonepayPlus. At the same time in 2010, in the context of recently implemented EU legislation, the OFT reassessed the promotional formulae which the Group had previously adhered to. This reassessment meant that the OFT sought assurances which DM was not prepared to accept in the form proposed. In the interests of achieving regulatory and operational certainty the Group therefore elected for definitive legal interpretation and explicit direction through the courts.

Following a hearing which took place in January 2011, on 2 February 2011 the Court handed down a judgment in relation to those proceedings. On 17 March 2011, following a period of consultation, the Court accepted undertakings ("**the Undertakings**") from certain Group executives and from the Group companies concerned in respect of the design of certain promotions carried out by those Group companies.

In March 2011, the Court granted the Group's executives and the Group companies involved leave to appeal to the Court of Appeal. The matter was subsequently referred from the Court of Appeal to the ECJ. At present it is not known when a ruling will be provided by the ECJ, but typically the process takes at least a year, potentially longer.

The Undertakings related to certain changes that were required to the design and content of new promotions undertaken by the relevant Group companies after 17 March 2011. At the time of the Court judgment it was not possible to accurately assess the likely level of adverse effect that these changes would have on financial performance of the Group. However, on 31 May 2011, following the Undertakings becoming binding, the Group announced that due to the uncertainty over current promotion design and the requirement to develop and test new compliant promotions, the trading of the Group had been significantly impacted.

It is now clear that the Group's creative processes and operational procedures, which were designed and refined for a significantly different compliance environment will now need a complete overhaul and redesign. This is particularly true for gamecards.

The current system was built up over a period of 20 years and itself went through a number of iterations in response to both regulatory changes and market demands. In that evolutionary fluctuation period performance of the business inevitably varied as a consequence and it is expected that this will once again become the *status quo* until the business is remodelled to meet the challenges of the new regime.

It is unclear whether a successful remodelling can be achieved and even if it can, it is unclear how long it will take and what the financial performance of the business will be during and after such a process. In addition these required changes to the Company's business model will need to be publicised whilst the Company remains a public company and in such a competitive environment,

such publicity will inevitably help the competition and therefore damage the Company's future prospects.

It is based on this assessment that Adrian Williams has decided to make the Offer. Alternatively, if the Scheme does not become effective, Adrian Williams has indicated that he will use his shareholding in DM to seek to cancel the admission to trading of DM Shares on AIM.

Financial overview

On 26 September 2011, the DM Group announced its interim results for the period to 30 June 2011. For the six months ended 30 June 2011, revenue was £8.40 million, down 38 per cent. (2010: £13.45 million). EBITDA for the period was £0.58 million, down 82 per cent. (2010: £3.18 million), with Group consolidated profit before tax £0.41 million, down 86 per cent. (2010: £2.98 million). Basic earnings per share were 0.30 pence, down 77 per cent. (2010: 1.32 pence).

For the period to 30 June 2011 the Group was broadly cash neutral from operating activities after taking account of corporation tax payments and debt repayment. As at 30 June 2011, the Group had a net cash surplus of £0.28 million (2010: net debt £2.54 million).

Current trading

During 2011 following the OFT ruling, gamecard activity has dropped to a very low level as new compliant promotional formats are designed and tested. Whilst the Group continues to develop and test new designs this area is expected to continue to run an operational loss. The Group's direct mail activities similarly suffered a period of disappointing results during the first half of 2011. Towards the end of the first half, to 30 June 2011, direct mailings saw improvements with new recruitment campaigns generating useful contributions. There has been no significant change to trading since the date of the Company's interim results for the six months ended 30 June 2011.

Offer considerations

The Independent Director would like to bring to the DM Shareholders' attention that Adrian Williams has indicated that should the Scheme not become effective he will utilise his shareholding which, following the acquisition of DM Shares from Hugh Villiers, will be more than 75 per cent. of the share capital of DM to seek to cancel the admission to trading of DM Shares on AIM.

If the Scheme does not become effective and cancellation of admission to trading is achieved, upon cancellation of the admission to trading of DM Shares on AIM, Adrian Williams would also seek to re-register DM as a private company under the provisions of the Companies Act. The principal effects of the cancellation of trading on AIM are as follows:

- i. a significant reduction in liquidity and marketability of DM Shares as there will no longer be a market mechanism through which buyers and sellers can be matched and trading for DM Shares can be readily established. DM does not intend to employ the services of a provider of a third party matched bargain trading facility;
- ii. as minority shareholders of a private and unlisted company, DM Shareholders will no longer be afforded the same level of protection or disclosure as was afforded to them whilst the Company was a listed public company, subject to the AIM rules published by the London Stock Exchange. The Company will also cease to have a nominated adviser;
- iii. the Company will no longer be bound to announce material developments or interim results;
- iv. the Company will no longer be subject to the Disclosure Rules and Transparency Rules of the Financial Services Authority and will therefore no longer be required specifically to disclose major shareholdings in the Company;
- v. given the sizeable majority holding of Adrian Williams, who is already outside of the City Code for the purposes of Rule 9 (making offers), DM would be controlled by Adrian Williams subject to the private company rules rather than the more extensive quoted company rules;

- vi. following the tenth anniversary of the cancellation of the admission to trading of DM Shares on AIM (and subject to re-registration) the provisions of the City Code will cease to apply to the Company;
- vii. as minority shareholders of a private and unlisted company, DM Shareholders should be aware that there can be no certainty that any dividends, distributions or returns of capital will be paid or that any future sale of DM by Adrian Williams will materialise; and
- viii. the costs of maintaining a public quote will no longer be incurred.

In light of the above, the Independent Director believes that the price of 1.8 pence per DM Share in cash provides DM Shareholders with the opportunity to realise their current investment in DM and represents, realisable now, fair value over the short to medium term when taking into account the prospects of the business.

The Offer Price also represents an acceptable premium to both the current and recent Closing Prices on which the DM Shares have traded and exceeds by 33.3 per cent. the price at which the Company recently conducted a share buy back at a price of 1.35 pence per DM share on 27 September 2011. Since then the Company had been unable to identify sufficient volume of DM Shares to purchase through the market and had accordingly withdrawn the facility.

4. Recommendation

The Independent Director of DM, who has been so advised by DM's financial adviser, Altium, considers the terms of the Offer to be fair and reasonable and in the best interests of Scheme Shareholders. In providing its advice to the Independent Director, Altium has taken into account the commercial assessments of the Independent Director.

Accordingly, Mark Winter supports and recommends that the Independent DM Shareholders vote in favour of the Scheme Resolutions. Mr Winter has irrevocably undertaken to vote in favour of the Scheme Resolutions in respect of his beneficial holding totalling 49,041 DM Shares, representing approximately 0.18 per cent. of the Independent DM Shares which are eligible for being voted at the Shareholder Meetings (being 26,439,285 Independent DM Shares).

5. Irrevocable Undertaking

Mark Winter, the Independent Director has irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of his own beneficial holding of DM Shares totalling 49,041 DM Shares representing approximately 0.18 per cent. of the Independent DM Shares which are eligible for being voted at the Shareholder Meetings.

Further details of this irrevocable undertaking to vote in favour of the Scheme Resolutions at the Shareholder Meetings are set out in Appendix III.

A copy of the irrevocable undertaking will be on display on DM's website (www.dmplc.com) from 12 noon on 8 December 2011 and will be available during the course of the Offer.

6. Information on Adrian Williams

Adrian Williams is the Chairman of DM. Adrian Williams studied Economics and Marketing at university before joining a computer software company in Ross-on-Wye in 1981. He then became Marketing Director of a fire protection company prior to leading a management buy-in of a toy and gift company in 1990. Adrian Williams founded Strike Lucky Games Limited in 1993 which ultimately was acquired by Hawthorn Holdings plc in a reverse takeover in 2004 to form DM.

Adrian Williams currently holds, in aggregate, 119,419,929 DM Shares and has a power of attorney over a further 17,474,880 totalling, in aggregate, 83.8% of the DM Shares.

7. Rights over Hugh Villiers' DM Shares

By virtue of the Shareholders' Agreement, Adrian Williams has the right to acquire all of the 17,474,880 DM Shares owned by Hugh Villiers. The right to exercise the option arises when Adrian Williams releases an announcement pursuant to the rules of the City Code in which he offers to acquire the entire issued share capital of DM. Therefore following the release of this announcement, Adrian Williams will exercise his option over the 17,474,880 DM Shares owned by Mr Villiers. Completion of the acquisition by Adrian Williams of these DM Shares is scheduled to be on or before 21 December 2011.

In addition, by a further provision of the Shareholders' Agreement, Adrian Williams has by a power of attorney the right at his discretion to exercise the votes attaching to the DM Shares owned by Mr Villiers. As a result of the existence of this power of attorney and the fact Mr Villiers is a concert party of Adrian Williams for the purposes of the City Code, the DM Shares owned by Mr Villiers will not be eligible to be voted at the Shareholder Meetings.

A copy of the Shareholders' Agreement will be on display on DM's website (www.dmplc.com) from 12 noon on 8 December 2011 and will be available during the course of the Offer.

8. Information on DM

DM is an AIM listed, direct marketing group specialising in customer recruitment and database management. The Group's customer recruitment expertise is in designing and distributing a proprietary range of response orientated games. This brings new customers which are added to the Group's databases where they are communicated with via direct mail or database rental. The Group has complementary database management activities as one of the UK's largest owners and providers of consumer lifestyle data to the direct marketing industry, underpinned by extensive multi-media database assets across post, phone, mobile, email and internet.

9. Financing of the Offer

Adrian Williams will fund the consideration payable under the Offer from available cash resources. Wildin & Co, the accountant to Adrian Williams, has confirmed that it is satisfied that sufficient financial resources are available to Adrian Williams to satisfy in full the consideration payable by Adrian Williams pursuant to the Offer upon the Scheme becoming effective other than in relation to the DM Shares already owned by him. Full implementation of the Offer would result in a cash consideration of approximately £0.48 million being payable by Adrian Williams.

10. Management and employees

Adrian Williams has confirmed that, following completion of the Offer, the existing employment rights, including pension rights, of the management and employees of DM will be fully safeguarded.

Adrian Williams' strategic plans for DM's customer recruitment operations centre on the clear need for the redesign and testing of new compliant creative products and of the associated procedures. As a result the future focus of DM will be:

- to invest in the design of new creatives;
- to intensively test market and review responses to such new creatives;
- to adjust and refine the new creatives in the light of market testing;
- to review DM's operational procedures as they apply to the new creatives; and
- to test and refine new operational procedures.

In relation to DM's data operations, Adrian Williams plans to increasingly concentrate human, technical and financial resources on ensuring that DM's databases are as current as practicable and then concentrate data marketing efforts in this sector of the market.

The above plans envisage a concentration upon reinvestment of funds rather than distributions. Adrian Williams also plans for DM to operate as a private limited company. Adrian Williams currently anticipates continuing DM's operations at all its present sites.

The Independent Director has agreed to remain a director of DM following the Scheme becoming effective and will continue to be employed on the same terms as he currently enjoys, details of which will be contained in the Scheme Document.

11. Effect of the Offer on DM Share Schemes

DM Options are, and will continue to be, exercisable in accordance with their terms, notwithstanding the Offer. As the exercise price of all DM Options is significantly higher than the Offer Price, however, it is unlikely that any of the DM Options will ever be exercised. Even if they are exercised after the Scheme Effective Date, the DM Shares issued on exercise will be immediately acquired by Adrian Williams (under the DM Articles) at the Offer Price. Holders of DM Options will be written to separately regarding the effect of the Offer on their DM Options.

12. Disclosure of interests in DM

Adrian Williams confirms that he is making on the date of this announcement an Opening Position Disclosure, setting out the details required to be disclosed by him under Rule 8.1(a) of the Code. Save for Adrian Williams' shareholdings outlined in paragraph 6, the right to acquire Hugh Villiers' shares as outlined in paragraph 7 and the irrevocable undertakings outlined in paragraph 5, Adrian Williams has; i) no further interest in, or any right to subscribe for, any DM Shares; (ii) no short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative or arrangement in relation to DM Shares; or (iii) not borrowed or lent any DM Shares. For these purposes, "arrangement" includes any indemnity or option arrangement or any agreement or understanding, formal or informal, of whatever nature, relating to DM Shares which may be an inducement to deal or refrain from dealing in such securities.

13. Structure of the Offer

It is intended that the Offer will be effected by means of a scheme of arrangement between DM and the Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Adrian Williams to become the holder of the entire issued and to be issued ordinary share capital of DM. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of new shares in DM (which is equal, in nominal value, to the number of Scheme Shares cancelled) and issuing them to Adrian Williams, in consideration for which the Scheme Shareholders will receive cash consideration on the basis set out in paragraph 2 of this announcement.

The expected timetable for the implementation of the Scheme is as follows:

Scheme Document posted to DM Shareholders	9 December 2011
Court Meeting to approve the Scheme	10.00 a.m. on 9 January 2012
General Meeting	10.05 a.m. on 9 January 2012
Court hearing to sanction the Scheme and confirm the Capital Reduction	25 January 2012 or as soon as reasonably practicable thereafter
Suspension of listing of, and dealings in, DM Shares	7.30 a.m. on 26 January 2012 or

	as soon as reasonably practicable thereafter
Scheme Effective Date	26 January 2012 or as soon as reasonably practicable thereafter
Cancellation of admission to trading on AIM of DM Shares	7.00 a.m. on 27 January 2012 or as soon as reasonably practicable thereafter

The Scheme will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document and include, but are not limited to the following:

- (i) the Scheme becoming effective by not later than 11.59 p.m. on 31 March 2012 or such later date as DM and Adrian Williams may agree and (if required) the Court may approve;
- (ii) the approval of the Scheme by a majority in number of the Independent DM Shareholders who attend and vote, either in person or by proxy, at the Court Meeting (or any adjournment of that meeting) representing at least three-fourths in value of the Independent Scheme Shares voted;
- (iii) the passing of the General Meeting Resolution required to approve and implement the Scheme at the General Meeting (or any adjournment of that meeting);
- (iv) the sanction of the Scheme by the Court (with or without modification, such modification being acceptable to both DM and Adrian Williams) and confirmation of the Capital Reduction by the Court being obtained;
- (v) the delivery of the Court Order and the Statement of Capital to the Registrar of Companies or, if the Court so orders, upon registration of the Court Order and the Statement of Capital by the Registrar of Companies; and
- (vi) the other Conditions (set out in Appendix I of this announcement) which are not otherwise identified above either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived by Adrian Williams.

The Scheme will become effective upon the delivery of the Court Order and the Statement of Capital to the Registrar of Companies or, if the Court so orders, upon registration of the Court Order and the Statement of Capital by the Registrar of Companies. It is expected that the Scheme will become effective on 26 January 2012.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable of the Offer.

Upon the Scheme becoming effective it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting and whether or not they voted in favour of the Scheme Resolutions.

14. Cancellation of listing of DM Shares and re-registration

Prior to the Scheme becoming effective, DM will make an application to the London Stock Exchange for the cancellation of trading in the DM Shares on AIM to take effect on the Business Day following the Scheme Effective Date.

On the Scheme Effective Date, share certificates in respect of DM Shares will cease to be valid and entitlements to DM Shares held within the CREST system will be cancelled.

It is also proposed that, following the Scheme Effective Date and after the DM Shares are delisted, DM will be re-registered as a private company.

In the event the Scheme fails to become effective or is otherwise withdrawn, Adrian Williams has notified the Company that he intends to seek to cancel the admission to trading of DM Shares on AIM and to re-register DM as a private company.

15. Documents on display

Copies of the following documents will be made available on DM's website at www.dmplc.com by no later than 12 noon on 8 December 2011 until the end of the Offer:

- this announcement;
- the irrevocable undertaking referred to in paragraph 5 above and summarised in Appendix III to this announcement;
- the letter between DM and Adrian Williams confirming the agreed position in relation to how the DM Share Schemes will be treated as described in paragraph 11 above; and
- the Shareholders' Agreement between Adrian Williams and Hugh Villiers.

16. Overseas Shareholders

The distribution of this announcement, and the availability of the Offer, to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of and observe any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document. DM Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

17. General

Save as disclosed below, there are no agreements or arrangements to which Adrian Williams is a party which relate to the circumstances in which he may or may not invoke or seek to invoke a condition to the Offer.

The Scheme Document will be posted (other than to persons resident in a Restricted Jurisdiction) on or around 9 December 2011 following the Court application to convene the Court Meeting.

Your attention is drawn to the further information contained in the appendices which form part of this announcement.

The summaries of further terms in relation to the Scheme set out in Appendix I to this announcement form part of, and should be read in conjunction with, this announcement.

Appendix II to this announcement provides details of the bases of calculations and sources of certain information included in this announcement.

Appendix III to this announcement contains details of the irrevocable undertaking received in relation to the Offer.

Appendix IV to this announcement contains definitions of certain terms used in this announcement.

Enquiries:

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Adrian Williams

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DM
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Altium Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for DM plc and no one else in connection with the Offer and will not be responsible to anyone other than DM plc for providing the protections afforded to clients of Altium Capital Limited or for providing advice in relation to the Offer, the contents of this announcement or any transaction or arrangement referred to herein.

This announcement is for information purposes only and is not intended to and does not constitute or form any part of an offer to sell or the solicitation of an offer to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction. Any vote in respect of the Scheme or other response to the Offer should be made only on the basis of the information contained or referred to in the Scheme Document or any document by which the Offer is made, which will together contain the full terms and conditions of the Offer including details of how to vote in respect of the Scheme. Whether or not certain DM Shares are voted at the Court Meeting or the General Meeting, if the Scheme becomes effective, all Scheme Shares will be cancelled pursuant to the Scheme in return for the payment of 1.8 pence in cash per DM Share.

This announcement does not constitute a prospectus or a prospectus equivalent document.

Notice to US investors

US holders of DM Shares may vote in respect of the resolutions to be proposed at the Shareholder Meetings. US holders should note that the Offer relates to the shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement including the City Code, which differ from the requirements of US proxy solicitation or tender offer and this announcement has been prepared in accordance with UK style and procedure for the purpose of complying with English law and US holders should read this announcement and the Scheme Document which includes important information about DM and the DM Shares.

The receipt of cash pursuant to the Offer by a US holder of DM Shares as consideration for the cancellation of DM Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under the applicable United States state and local, as well as foreign and other, tax laws. Each US holder of DM Shares is urged to seek tax advice immediately from an independent professional adviser regarding the applicable tax consequences of the Offer.

It may be difficult to enforce rights and claims arising in connection with the Offer under the US federal securities laws since each of DM and Adrian Williams is located outside the United States and all of DM's officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved, disapproved, recommended or otherwise passed comment upon the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Overseas jurisdictions

The laws of relevant jurisdictions may affect the availability of the Offer to persons who are not citizens, residents or nationals of the United Kingdom. Persons who are not resident in the United Kingdom, or who are citizens, residents or nationals of a jurisdiction outside of the United Kingdom, should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the laws and regulatory requirements of the relevant jurisdiction may constitute a violation of the securities laws of such jurisdiction.

The release, publication or distribution of this announcement in jurisdictions other than the UK may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements.

This announcement is not intended to be, and does not constitute or form any part of, any offer for securities for sale or purchase in any jurisdiction. The Offer will be made solely pursuant to the terms of the Scheme Document, which will contain the full terms and conditions of the Offer, including details of how to vote at the Shareholder Meetings. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Scheme Document. Unless otherwise determined by Adrian Williams and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interests or foreign commerce of, or by any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Offer may not be accepted by any other such use, means, instrumentality or facility from or within any Restricted Jurisdiction.

Accordingly, unless otherwise determined by Adrian Williams and permitted by applicable law and regulation, copies of this announcement and any other documents related to the Offer are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into any Restricted Jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from any Restricted Jurisdiction.

The Offer will be for the securities of a corporation organised under the laws of England and will be subject to the procedure and disclosure requirements of England. Since this announcement has been prepared in accordance with English law and the City Code, the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Forward-looking statements

This announcement contains statements about Adrian Williams and DM that are or may be, forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for implementing the Scheme, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of DM; (ii) business and management strategies and the expansion and growth of DM's operations; and (iii) the effects of government regulation on DM's business.

These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of DM. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date they were made. All subsequent oral or written forward looking statements attributable to Adrian Williams or DM or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this announcement are based on information available to Adrian

Williams and DM on the date hereof and are made only as of the date of this announcement. Undue reliance should not be placed on such forward looking statements.

Subject to compliance with the City Code, neither DM nor Adrian Williams intends, or undertakes any obligation, to update any information contained in this announcement.

Dealing disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Information relating to DM Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by DM Shareholders, persons with information rights and other relevant persons for the receipt of communications from DM may be provided to Adrian Williams during the offer period as required under Section 4 of Appendix 4 of the Code.

Publication on website

In accordance with Rule 30.4 of the Code, a copy of this announcement will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on DM's website (www.dmplc.com) by no later than 12 noon on 8 December 2011 and will be available during the course of the Offer.

Neither the contents of DM's website, nor the content of any other website accessible from hyperlinks on DM's website, is incorporated into or forms part of this announcement.

Appendix I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

1. The Offer will, if it is implemented by way of the Scheme, be conditional upon the Scheme becoming unconditional and becoming effective by not later than 11.59 p.m. on 31 March 2012 or such later date (if any) as DM and Adrian Williams may, with the consent of the Panel, agree and (if required) the Court may allow.

Part A: Conditions of the Offer

2. The Scheme will be conditional upon:
 - (a) the approval of the Scheme by a majority in number of the holders of Independent Scheme Shares present and voting at the Court Meeting, either in person or by proxy, or at any adjournment of that meeting representing not less than seventy five per cent. in value of the Independent Scheme Shares held by such holders who are so present and voting;
 - (b) the General Meeting Resolution being duly passed by the requisite majority at the General Meeting (or at any adjournment of that meeting); and
 - (c) the sanction with or without modification (but subject to any such modification being on terms acceptable to DM and Adrian Williams) of the Scheme and the confirmation of the Capital Reduction by the Court and the delivery of the Court Order and the Statement of Capital to the Registrar of Companies.
3. DM and Adrian Williams have agreed that, subject as stated in Condition 4 below, the Scheme is conditional upon the following matters and, accordingly, the necessary actions to make the Scheme effective will only be taken upon the following Conditions (as amended if appropriate) having been satisfied (where capable of being satisfied) or waived, prior to the Scheme being sanctioned by the Court in accordance with Condition 2 above:
 - (a) no government or governmental, quasi-governmental, supranational, statutory or regulatory body or association, institution or agency (including any trade agency) or any court or other body (including any professional or environmental body) or person in any relevant jurisdiction (each a "**Relevant Authority**") having taken, instituted, implemented, announced, threatened or decided to take any action, proceeding, suit, investigation, enquiry or reference or enacted, made or announced a decision to make any statute, regulation, decision or order or having taken any other steps which in any such case would or would be reasonably expected to:
 - (i) make the Scheme or its implementation or the acquisition or proposed acquisition of any DM Shares by Adrian Williams or control of DM void, unenforceable or illegal under the laws of any relevant jurisdiction or directly or indirectly prohibit or otherwise restrict, prevent or frustrate or otherwise delay or interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge or interfere with the Scheme or the acquisition of any DM Shares or the control of DM;
 - (ii) require, prevent or materially delay the divestiture (or alter the terms of any proposed divestiture) by Adrian Williams or by any member of the Wider DM Group of all or any part of their respective businesses, assets or properties or of any DM Shares or other securities in DM or impose any material limitation on their ability to conduct all or any part of their respective businesses and to own or control any of their respective material assets or properties which, in any such case, is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer as the case may be;

- (iii) impose any limitation on, or result in any material delay in, the ability of Adrian Williams to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider DM Group or on the ability of any member of the Wider DM Group to hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities (or the equivalent) in, or to exercise management control over, any other member of the Wider DM Group which, in any such case, is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
- (iv) require Adrian Williams or any member of the Wider DM Group to acquire or offer to acquire any shares or other securities (or the equivalent) in any member of the Wider DM Group or any asset owned by any third party (other than in the implementation of the Scheme) which, in any such case, is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
- (v) impose any limitation on the ability of any member of the Wider DM Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider DM Group which, in any such case, is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer; or
- (vi) affect adversely the business profits or prospects of Adrian Williams or any member of the Wider DM Group to an extent which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer,

and all applicable waiting and other time periods during which any such Relevant Authority could institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;

- (b)
 - (i) all necessary notifications, filings or applications (excluding competition or antitrust notifications, filings or applications) having been made in connection with the Scheme;
 - (ii) excluding competition or antitrust obligations or periods, all necessary statutory or regulatory obligations in any jurisdiction in respect of the Offer having been complied with and all applicable waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated in each case in respect of the Scheme;
 - (iii) all authorisations, orders, grants, recognitions, confirmations, licences, exemptions, consents, clearances, permissions and approvals (together "**Authorisations**") reasonably necessary or appropriate for the implementation of the Scheme or the proposed acquisition of any Shares in, or control of, DM having been obtained on terms and in a form reasonably satisfactory to Adrian Williams (where failure to obtain would have a material adverse effect on the Wider DM Group or is material to Adrian Williams in the context of the Offer, or the ability of Adrian Williams to implement the Scheme) from appropriate Relevant Authorities or from any persons or bodies with whom Adrian Williams or the Wider DM Group has entered into contractual arrangements; and
 - (iv) such Authorisations together with all material Authorisations necessary for any member of the Wider DM Group to carry on its business remaining in full force and effect at the time the Scheme becomes effective and no intimation of any intention to revoke, suspend, restrict or modify or not to renew or appeal the

grant of any of the same having been made at the time at which the Scheme becomes effective in each case where such business is material in the context of the Wider DM Group and the absence of such Authorisations would have a material adverse effect on the Wider DM Group or would be material to Adrian Williams in the context of the Offer;

(c) except as Disclosed, there being no provision of any material agreement, arrangement, licence, permit or other instrument to which any member of the Wider DM Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject which, as a result of the making or implementation of the Scheme, would or might reasonably be expected to result in, to an extent which is material and adverse in the context of the Wider DM Group taken as a whole or is material to Adrian Williams in the context of the Offer:

- (i) any monies borrowed by or any other indebtedness (actual or contingent) of or grant available to any such member of the Wider DM Group becoming repayable or capable of being declared repayable immediately or earlier than the stated repayment date or the ability of such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited or otherwise adversely affected;
- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member of the Wider DM Group or any such security interest (whenever arising or having arisen) becoming enforceable;
- (iii) any material assets or interest of, or any material asset the use of which is enjoyed by, any such member of the Wider DM Group being or failing to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider DM Group;
- (iv) any arrangement, agreement, licence, permit, franchise or other instrument, or any right, interest, liability or obligation of any member of the Wider DM Group under any such arrangement, agreement, licence, permit, franchise or other instrument being terminated or adversely modified or affected or any onerous obligation or liability arising or adverse action being taken or arising under any such arrangement, agreement, licence, permit, franchise or other instrument;
- (v) the interest or business of any such member of the Wider DM Group in or with any other person, firm or company (or any agreements or arrangements relating to such interest or business) being terminated, modified or adversely affected;
- (vi) any such member of the Wider DM Group ceasing to be able to carry on business under any name under which it presently does so;
- (vii) any liability of any member of the Wider DM Group to make any severance, termination, bonus or other payment to any of the directors or the officers of the Wider DM Group; or
- (viii) the creation of liabilities of or by any member of the Wider DM Group,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider DM Group is a party or by or to which any such member or any of its assets may be bound, entitled or be subject, could reasonably be expected to result in any of the events or circumstances as are referred to in subparagraphs (i) to (viii) of this Condition (c);

- (d) except as Disclosed or save for the purposes of implementing the Scheme or the Capital Reduction or the proposals to be made to the DM Optionholders in connection with the Scheme, no member of the Wider DM Group having since the Relevant Date:
- (i) issued or agreed to issue or authorised or proposed the issue of additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire any such shares or convertible securities (save as between DM and wholly owned subsidiaries of DM);
 - (ii) recommended, declared, paid or made any bonus, dividend or other distribution, whether payable in cash or otherwise, other than a distribution by any wholly-owned subsidiary of DM to DM or another wholly-owned subsidiary of DM;
 - (iii) save as between DM and wholly-owned subsidiaries of DM and other than in the ordinary course of business, implemented or authorised any merger or demerger or acquired or disposed of or transferred, mortgaged or charged, encumbered or created any other security interest over, any asset or any right, title or interest in any asset (including without limitation, shares and trade investments) or authorised or announced its intention to propose the same;
 - (iv) implemented or authorised any reconstruction, amalgamation, scheme or other transaction or arrangement which in the case of any such other transaction or arrangement is, in any case, material in the context of the Wider DM Group taken as a whole;
 - (v) save as between DM and wholly-owned subsidiaries of DM, purchased redeemed or repaid any of its own shares or other securities or reduced or, save in respect of the matters referred to in sub-paragraph (i) above, made or authorised any other change in its share capital;
 - (vi) save for intra-DM Group transactions, made or authorised any change in its loan capital or issued or authorised the issue of any debentures or incurred or increased any indebtedness or liability (actual or contingent) where such liability or indebtedness is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (vii) entered into, varied or terminated, or authorised the entry into, variation or termination of, any material contract, transaction, commitment or arrangement (whether in respect of capital expenditure or otherwise), which is of a long term, onerous or unusual nature or magnitude or which involves an obligation of a nature or magnitude which is, in any such case, material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (viii) entered into or varied the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of any service contract or other agreement with (1) any director or (2) any executive of DM whose basic salary exceeds £50,000 per annum;
 - (ix) save as between DM and wholly-owned subsidiaries of DM, implemented or authorised the entry into of any contract, commitment or arrangement which would be materially restrictive on the business of the Wider DM Group;
 - (x) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
 - (xi) taken any corporate action or had any steps taken or legal proceedings started or threatened against it or petition presented or order made for its winding-up

(voluntary or otherwise), dissolution or reorganisation (or for any analogous proceedings or steps in any jurisdiction) or for the appointment of a receiver, manager, administrator, administrative receiver, trustee, provisional liquidator, liquidator or similar officer (or for the appointment of any analogous person in any jurisdiction) of all or any of its assets and revenues;

- (xii) save as between DM and wholly-owned subsidiaries of DM, waived, compromised or settled any claim which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (xiii) entered into or varied the terms of any service agreement or arrangement with any director or senior executive of DM or any other undertaking which forms a part of the Wider DM Group;
 - (xiv) made or agreed or consented to (other than in connection with the Scheme) any alteration to its memorandum or articles of association or other incorporation documents which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (xv) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined, or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation which would be material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (xvi) entered into an agreement which could result in the restriction of the scope of the business of the DM Group or could have a material adverse effect on the Wider DM Group taken as a whole or on Adrian Williams in the context of the Offer;
 - (xvii) entered into any contract, commitment or arrangement (other than in the ordinary course of business) or passed any resolution or made any offer (which remains open for acceptance and which is capable of being converted into an agreement unilaterally by the recipient) with respect to, or proposed or announced any intention to effect or propose, any of the transactions, matters or events referred to in this Condition; or
 - (xviii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other material benefit relating to the employment or termination of employment of any person employed by the Wider DM Group;
- (e) except as Disclosed, since the Relevant Date:
- (i) no adverse change or deterioration having occurred in the business, assets, liabilities, financial or trading position, profits, assets or prospects of any member of the Wider DM Group which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
 - (ii) no criminal investigations, litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced, instituted or remaining outstanding by or against or in respect of any member of the Wider DM Group or to which any member of the Wider DM Group is or may become a party (whether as plaintiff or defendant or otherwise) and no enquiry or investigation by or complaint or reference to any Relevant Authority or other investigative body against or in respect of any member of the Wider DM Group

having been threatened, announced, implemented or instituted, or remaining outstanding by, against or in respect of any member of the Wider DM Group which, in any such case, would or would reasonably be expected to materially adversely affect the Wider DM Group taken as a whole or be material to Adrian Williams in the context of the Offer;

- (iii) no contingent or other liability in respect of any member of the Wider DM Group having arisen which would or might reasonably be expected to adversely affect any member of the Wider DM Group and which in any such case is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer; and
 - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider DM Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer;
- (f) save as Disclosed, Adrian Williams not having discovered:
- (i) that any financial, business or other information concerning any member of the Wider DM Group which has been disclosed, whether publicly or otherwise, prior to 5.00 p.m. on 6 December 2011 by, or on behalf of, any member of the Wider DM Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading or that any contingent liability disclosed in such information would or might affect directly or indirectly the business, profits or prospects of the Wider DM Group, taken as a whole, in each case to an extent which is material in the context of the Wider DM Group taken as a whole or material to Adrian Williams in the context of the Offer and which was not corrected by a subsequent announcement to a Regulatory Information Service by or on behalf of any member of the DM Group prior to 5.00 p.m. on 6 December 2011; or
 - (ii) that any member of the Wider DM Group is subject to any liability, contingent or otherwise which is material in the context of the Wider DM Group taken as a whole or to Adrian Williams in the context of the Offer; or
 - (iii) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider DM Group under any environmental legislation, regulation, notice, circular or order of any Relevant Authority in any jurisdiction, in each case to an extent which is material in the context of the Wider DM Group taken as a whole.

Part B: Certain further terms of the Offer

4. Subject to the requirements of the Panel, Adrian Williams reserves the right to waive all or any of Conditions 3(a) to (f) inclusive, in whole or in part. Adrian Williams shall be under no obligation to waive or treat as fulfilled any of Conditions 3(a) to (f) inclusive by a date earlier than the date specified above for the satisfaction thereof notwithstanding that the other Conditions of the Scheme may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

5. If Adrian Williams is required by the Panel to make an offer for any DM Shares under Rule 9 of the Code, Adrian Williams may make such alterations to the above Conditions as are necessary to comply with that Rule.
6. The Offer will lapse and the Scheme will not proceed if the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation 139/2004/EC or the Offer is referred to the Competition Commission before the date of the Court Meeting.
7. This announcement and any rights or liabilities arising hereunder, together with the Scheme, will be governed by English law and will be subject to the jurisdiction of the English courts. The rules and regulations of the Financial Services Authority and the rules contained in the Code, so far as they are appropriate, will apply to the Offer. The Scheme is subject, inter alia, to such further terms as may be required to comply with the AIM Rules and the provisions of the Code.
8. Under Rule 13.4 of the Code, Adrian Williams may only invoke any of Conditions 3(a) to (f) (inclusive) so as to cause the Scheme not to proceed, to lapse or to be withdrawn if the circumstances which give rise to the right to invoke the Condition are of material significance to Adrian Williams in the context of the Offer. The Condition contained in paragraphs 1 and 2 of this Appendix I of this announcement are not subject to this provision of the Code.
9. For the purpose of these Conditions:

"Disclosed" means as Fairly Disclosed in:

- (a) any public announcement by DM to a Regulatory Information Service on or before 5.00 p.m. on 6 December 2011; or
- (b) the report and accounts of DM for the twelve months ended 31 December 2010; or
- (c) the interim results of DM for the six months ended 30 June 2011; or
- (d) any information which Adrian Williams has received in his capacity as a member of the board of DM.

"Fairly Disclosed" means fairly disclosed with sufficient detail to allow Adrian Williams to make a reasonably informed assessment of the nature and scope of the matters, facts or circumstances disclosed and the extent of their consequences;

"Relevant Date" means 31 December 2010;

"significant interest" means a direct or indirect interest in 20 per cent. or more of the equity share capital of the undertaking in question; and

"Wider DM Group" means DM, its subsidiaries and its subsidiary undertakings, associated undertakings and any other undertakings in which DM and such undertakings (aggregating their interests) have a majority interest.

Appendix II

BASIS OF CALCULATION AND SOURCES OF INFORMATION

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

1. As at the close of business on 6 December 2011 (being the last Business Day prior to the date of this announcement), DM had in issue 163,334,094 DM Shares. The International Securities Identification Number for DM Shares is GB0032282294.
2. The value of the Offer is based on:
 - (i) 163,334,094 DM Shares in issue;
 - (ii) 43,914,165 DM Shares held by Shareholders other than Adrian Williams;
 - (iii) Nil DM Shares required to satisfy outstanding DM Options granted with a subscription price of less than the Offer Price; and
 - (iv) 1,727,603 DM Shares requested to satisfy outstanding DM Shares granted with a subscription price in excess of the Offer Price,in each case as at close of business on 6 December 2011, the last practicable time prior to the publication of this announcement.
3. The calculation of the percentages of Independent DM Shares is based on 26,439,285 Independent DM Shares.
4. Unless otherwise stated, financial information relating to DM has been extracted or derived (without any adjustment) from DM's annual report and accounts for the year ended 31 December 2010.
5. Unless otherwise stated, all prices and closing prices for DM Shares are the closing middle market price of a DM Share as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange.

Appendix III

IRREVOCABLE UNDERTAKING

Mark Winter, the Independent Director of DM, has irrevocably undertaken to vote in favour of the Scheme Resolutions in respect of his own beneficial holdings of DM Shares which amount to, in aggregate, 49,041 DM Shares, representing approximately 0.18 per cent. of the Independent DM Shares which are eligible for being voted at the Shareholder Meetings (being 26,439,285 Independent DM Shares). This irrevocable undertaking will remain binding in the event of a competing offer being made for DM and will cease to be binding only if the Offer becomes effective, closes, lapses or is withdrawn.

A copy of this undertaking will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on DM's website (www.dmplc.com) by no later than 12 noon on 8 December 2011 and will be available during the course of the Offer.

Appendix IV

DEFINITIONS

“AIM”	AIM, the market of that name operated by the London Stock Exchange;
“Altium”	Altium Capital Limited;
“Business Day”	a day (other than Saturday or Sunday or UK public bank holiday) on which banks are generally open for business in London;
“Capital Reduction”	the proposed reduction of the ordinary share capital of DM provided by the Scheme under section 641 of the Companies Act;
“Closing Price”	the closing middle market price of a DM Share as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange;
“Code” or “City Code”	the City Code on Takeovers and Mergers;
“Companies Act”	the Companies Act 2006 and shall be constructed as a reference to it as it may from time to time be, amended, modified or re-enacted;
“Conditions”	the conditions to the implementation of the Scheme and the Offer set out in Appendix I of this announcement and to be contained in the Scheme Document and “Condition” shall mean any of them;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Independent Scheme Shareholders, to be convened by the Court pursuant to Part 26 of the Companies Act which is expected to be held at the offices of Jones Day, 21 Tudor Street, London, EC4Y 0DJ at 10.00 a.m. on 9 January 2012 (and any adjournment thereof), notice of which will be set out in the Scheme Document;
“Court of Appeal”	the Court of Appeal in England and Wales;
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Capital Reduction provided for in the Scheme;
“CREST”	the system for paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
“DM” or the “Company”	DM plc, a public limited company incorporated in England registered under number 04020844;
“DM Articles”	the articles of association of DM;
“DM Group” or the “Group”	DM and its subsidiaries and subsidiary undertakings from time

	to time and, where the context permits, each of them;
“DM Optionholders”	the holders of DM Options;
“DM Options”	options over DM Shares granted pursuant to one of the DM Share Schemes and “DM Option” means any one of them;
“DM Shareholders”	registered holders of DM Shares;
“DM Shares” and “Ordinary Shares”	the existing allotted or issued and fully paid ordinary shares of 1 pence each in the capital of DM and any further such ordinary shares which are unconditionally allotted or issued before the Scheme Effective Date;
“DM Share Schemes”	the series of options granted to senior executors of the Group;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“ECJ”	the European Court of Justice;
“Euroclear”	Euroclear UK & Ireland Limited, the operators of CREST;
“Forms of Proxy”	the respective forms of proxy for use in connection with the Court Meeting or General Meeting or either of them as the context requires;
“General Meeting”	the meeting of Independent Scheme Shareholders expected to be held at the offices of Jones Day, 21 Tudor Street, London, EC4Y 0DJ on 9 January 2012 at 10.05 a.m. or as soon thereafter as the Court Meeting has concluded or been adjourned (or any adjournment thereof), notice of which will be set out in the Scheme Documents;
“General Meeting Resolution”	the special resolution to be proposed at the General Meeting;
“holder”	a registered holder and includes any person entitled by transmission;
“Independent Director”	Mark Winter, Finance Director of DM;
“Independent Scheme Shareholders”	Scheme Shareholders other than Hugh Villiers;
“Independent Scheme Shares”	Scheme Shares other than those beneficially owned by or registered in the name of Hugh Villiers;
“London Stock Exchange”	London Stock Exchange plc;
“New DM Shares”	the new DM Shares to be allotted and issued to Adrian Williams in accordance with the terms of the Scheme;
“Offer”	the recommended cash offer by Adrian Williams to acquire all of the DM Shares not currently owned by him, subject to the terms and Conditions to be set out in the Scheme Document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer;
“Offer Period”	means the period commencing on 7 December 2011;

“Offer Price”	1.8 pence per DM Share;
“OFT”	the Office of Fair Trading;
“Overseas Shareholders”	DM Shareholders with a registered address in a jurisdiction outside the United Kingdom or whom Adrian Williams reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
“Restricted Jurisdiction”	any jurisdiction in relation to which the extension or acceptance of the Offer to such jurisdiction would be unlawful or which Adrian Williams decides, in his sole discretion, would be likely to involve disproportionate complexity, cost or risk, subject to the requirements of Rule 30.3 of the Code;
“Scheme”	the proposed scheme of arrangement under Part 26 of the Companies Act between DM and the Scheme Shareholders to be set out in the Scheme Document in its present form or with or subject to any modification, addition or condition which DM and Adrian Williams may agree and, if required, the Court may approve or impose;
“Scheme Document”	the document containing details of the Scheme, setting out the terms and conditions of the Offer and the Shareholder Meetings which is expected to be sent to DM Shareholders (other than certain Overseas Shareholders) on or around 9 December 2011;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with the terms of the Scheme;
“Scheme Record Time”	6.00 p.m. on the business day immediately preceding the Scheme Effective Date;
“Scheme Resolutions”	together, the resolution to be proposed at the Court Meeting and the General Meeting Resolution;
“Scheme Shares”	DM Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time, on terms that the holder shall be bound by the Scheme or, in the case of any subsequent holders or any such shares issued prior to the adoption of the amendment to the DM Articles to be adopted at the General Meeting, in respect of which the holder thereof shall have agreed in writing to be

bound by the Scheme,

in each case, excluding any DM Shares beneficially owned by or registered in the name of Adrian Williams;

“Scheme Shareholders”	the holders of Scheme Shares from time to time;
“Shareholder Meetings”	the Court Meeting (and any adjournment thereof) and/or the General Meeting (and any adjournment thereof) and “Shareholder Meeting” means the Court Meeting or the General Meeting as the context requires;
“Shareholders’ Agreement”	a shareholder agreement made between Adrian Williams and Hugh Villiers dated 8 January 2009, further details of which are contained in paragraph 7 of this announcement;
“Statement of Capital”	a statement of capital of the Company prepared in accordance with section 649(2) of the Companies Act;
“uncertificated” or in “uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which by virtue of the Regulations, may be transferred by means of CREST;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“Voting Record Time”	6.00 p.m. on 7 January 2012 or, if the Court Meeting is adjourned, 6.00 p.m. on the date which is two days before the day of such adjourned Court Meeting; and
“£”, “sterling” and “pence”	the lawful currency of the United Kingdom.