

DM plc
(“DM” or the “Group”)

Trading Statement

DM, the AIM listed direct marketing group specialising in customer recruitment and database management, is pleased to announce that it expects to report revenues and pre-tax profits ahead of market expectations following the close of its year-end on 31 December 2007.

The Group has continued to show strong growth across all key activities and will report record results for the seventh consecutive reporting period since listing, and the third full year in a row. Following strong cash generation across its trading divisions and the equity fundraising conducted during 2007, the Group has a healthy balance sheet, which after taking account of its borrowing, is in a positive net cash position.

For 2008, the Group expects to focus on organic growth of its core businesses and to continue to identify and evaluate potential acquisition opportunities complementary to its activities.

The Group will announce its preliminary results for the year ended 31 December 2007 in early March 2008.

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Notes to editors:

DM plc is a direct marketing group specialising in customer recruitment and database management. The Group gathers consumer data for use in direct marketing campaigns through the provision of response-orientated competitions (i.e. gamecards distributed via newspapers, magazines and mail). The Group generates revenues principally through responses to its competitions via premium rate telephone lines and the rental of its databases to other companies. DM already has joint venture agreements in place with Cornhill Direct and AXA Sun Life.

DM was formed in October 2004 after the reverse takeover of Hawthorn Holdings plc by Strike Lucky Games Limited (gamecard and other competitions). Since October 2004, the Group has made further acquisitions; Purely Creative Limited (producer and distributor of gamecards competitions), Dodd Marketing Limited (games and competitions via addressed mail) and more recently The Winners Club (generates revenue from the rental of data collected via direct mail and responses to games and competitions). These acquisitions have made DM the UK market leader in direct marketing database management and the production and distribution of response orientated competitions.