

DM plc
(“DM” or the “Group”)

Trading Statement:

Strong, organic growth in core divisions with operating profit substantially ahead of last year

- The Winners Club acquisition already profitable and earn-out cancelled
- Recently acquired database expected to enhance earnings further
- Remain confident that growth will continue

Ahead of the announcement of its interim results for the six months ended 30 June 2007, expected to be made in September 2007, DM, the AIM listed direct marketing group specialising in database management and home gaming, announces a trading update which reports strong progress and growth continuing across all divisions. The Group’s core divisions have shown excellent organic growth with operating profit substantially ahead of the same period in 2006.

Following the acquisition of The Winners Club, the loss-making home gaming division of Invox (now renamed Brightview plc), in October 2006 for £1 million in shares plus up to £1 million in earn-out shares, DM cancelled the earn-out, via a placing of the shares owned by Brightview plc, on 4 July 2007. Since acquisition, the turnaround of The Winners Club under DM’s stewardship has been rapid with the first six months of this year generating strong monthly profits.

As part of the Group’s strategy to aggressively expand the business, organically and through acquisitions, the Group recently acquired rights to a former competitor’s database that consisted of the unlimited use of up to 1,088,994 records. This is expected to further enhance earnings during the remainder of 2007.

To date, the Group has not experienced any adverse impact from the recent postal dispute but continues to monitor the situation closely and has contingency plans in place should the situation escalate.

DM Chairman, Adrian Williams, said:

“All our divisions continue to experience buoyant growth, which should ultimately boost the returns to our shareholders. We remain confident that the Group’s current growth will continue and will be reflected in our forthcoming interim results.”

**** ENDS ****

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Notes to editors:

DM plc is a direct marketing group specialising in database management and home gaming. 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.