

DM plc  
("DM" or the "Company")

EXERCISE OF OPTION TO ACQUIRE PURELY CREATIVE LIMITED

On 23 November 2004, the Board of DM announced the grant, to its subsidiary Strike Lucky Games Limited ("Strike Lucky"), by McIntyre & Dodd Marketing Limited of a call option ("the Option") exercisable at the sole discretion of Strike Lucky to acquire the entire issued share capital ("the Shares") of Purely Creative Limited ("Purely Creative") for the aggregate price of £50,000 together with interest from 7 October 2004 until the Option exercise date, payable in cash. Under arrangements entered into by Purely Creative prior to the grant of the Option, Purely Creative acquired from Thus plc the former "Creative Division" of Thus plc. As part of those arrangements an earn-put may become payable by Purely Creative to Thus Plc subject to the future performance of Purely Creative.

The Board announces that Strike Lucky has exercised this Option and simultaneously completed the acquisition of the Shares (the "Acquisition").

Purely Creative designs, produces and distributes marketing competitions and promotions principally through the UK print media, managing high volume player response levels via telephone, internet and post. Since the acquisition by McIntyre & Dodd in October 2004, Purely Creative has traded as a separate entity. The unaudited draft management accounts for Purely Creative for the period ended 31<sup>st</sup> December 2004 report a turnover of £2.1 million and net profit of £0.49 million. The unaudited net asset value for Purely Creative at 31<sup>st</sup> December 2004 was £0.54 million.

McIntyre & Dodd Marketing Limited is a connected person of Adrian Williams Chairman and Chief Executive of DM and of Wendy Ruck Operations Director of DM, accordingly, the Board of DM put in place arrangements to ensure that neither Mr Williams nor Ms Ruck would be involved in the decision taken by the Company to exercise the Option.

The decision to exercise the Option has therefore been taken by John Gomme, being the Independent Director, who in making the decision took into account the terms of the Option, current trading of Purely Creative and the strategic potential of the Acquisition. The Independent Director, who has been advised by Altium Capital Limited, considers that the Acquisition is fair and reasonable and in the best interests of the Company and its shareholders as a whole. In providing its advice, Altium Capital Limited has taken into account the commercial assessments of the Independent Director.

Enquiries:

Adrian Williams – Chairman and Chief Executive

01989 769 292