



00000001  
1st Shareholder  
Address01  
Address02  
Address03  
Address04  
Address05  
Address06

28<sup>th</sup> November 2007

Dear Shareholder,

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

**Free Postal Share Dealing Service**

DM plc, via Capita IRG Trustee Limited ("Capita IRG Trustees") is offering a **free postal share dealing service to shareholders with 6,000 shares or fewer**, which will enable you, for a limited period only, to sell your entire DM plc shareholding. You can also use this service to donate unwanted small holdings of shares to ShareGift (registered charity no. 1052686), a charity which uses the proceeds from share donations to support a wide range of UK charities.

If, having read the terms and conditions, you wish to take advantage of this offer complete and return the postal sale/donation request form, together with a valid share certificate(s), in the envelope provided by 24<sup>th</sup> December 2007.

If you have lost your share certificate(s) and the value of your missing certificate(s) is under £100, simply return the completed postal sale/donation request form. If the value of your missing certificate(s) is over £100, please contact the Registrar on 0871 664 0300 to request a new certificate (a fee will apply) before returning the postal sale/donation request form.

If you have any queries regarding the service please call our **share dealing helpline on 0871 664 0313**. This helpline is unable to provide any taxation or investment advice.

**Background**

The Company has on its share register, largely for historical reasons from the reversal of Strike Lucky Games Limited in October 2004, a large number of shareholders with very small holdings.

In our 2006 Report and Accounts we stated our intentions to seek shareholder approval to buy-back DM shares up to an aggregate of 20,000,000 ordinary shares of 1 pence each in the capital of the company ("Shares"). This authority was granted at the subsequent Annual General Meeting.

The principal reasons for providing the free dealing facility are:

- to return value to shareholders by buying back and cancelling Shares;
- to provide a facility for small shareholders to realise their investment in a cost effective manner; and
- to manage the size and cost of the Company's shareholder register.

The Directors believe that share buy-backs can provide a useful route for shareholders wishing to realise their investment, enhancing shareholder value for those who wish to remain.

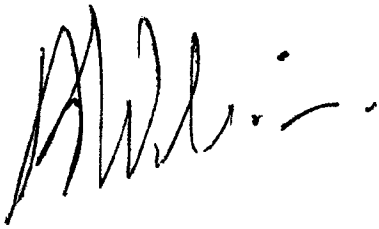
## **Scheme Summary**

The key points of the facility are:

- the sale of Shares under the facility is free (to the shareholder) of both stockbroker's commission and other dealing costs normally charged on a disposal which might render the sale of a small parcel of Shares economically unattractive;
- the price at which the shares will be sold will be the market price achieved by Capita IRG Trustees' broker on the dealing day;
- the facility is offered to shareholders with 6,000 Shares or fewer;
- shareholders can sell their entire holding up to the maximum of 6,000 Shares;
- the aggregate maximum number of Shares which the Company will purchase is 20,000,000;
- transactions are conducted on an execution only basis with transfers to be received by Capita, with whom the facility has been established, no later than Midday on Monday 24<sup>th</sup> December 2007;
- there is the option to donate the Share sale proceeds to charity.

DM plc is not in any way encouraging you or recommending that you use this service. The decision to act is entirely yours. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from an appropriately qualified financial advisor.

Yours sincerely

A handwritten signature in black ink, appearing to be 'M. J. ...', written in a cursive style.

**DM plc**

# CAPITA



execution. Capita will also check that each broker has in place a policy and procedures designed to obtain the best possible result, subject to and taking into account the nature of your order(s) and the market in question.

1. This service is an 'execution only' service under which we will receive postal share dealing orders from you and transmit these orders on your behalf to other entities for execution (the "Service"). The Service is provided by Capita IRG Trustees Limited, a company registered in England with company number 2729260 and whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU ("Capita", "we" or "us") and trading as Capita Share Dealing Services. Capita is authorised and regulated by the Financial Services Authority ("FSA") with Registered number 184113. The FSA may be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS. The main business of Capita is the provision of administration, trustee, share dealing and nominee services. Capita reserves the right to terminate the Service or to vary these terms and conditions of business (the "Conditions"), with notice where practicable. Your use of the Service will constitute your agreement to be legally bound by these Conditions.
2. The Service is operated entirely independently of DM plc (the "Company") which accordingly makes no representation in relation thereto and accepts no responsibility for, and shall not be liable for, loss, costs, damages or expenses arising from the provision of the Service.
3. We may decline to accept an instruction to sell shares or, having received your instructions, we reserve the right to refuse to act upon them without informing you of our reasons.
4. The Service is only available to shareholders holding 6,000 or fewer ordinary shares in the Company wishing to sell their entire certificated shareholding. For the avoidance of doubt, shareholders may either donate their entire holding to ShareGift or sell it. The maximum transaction value for this service is €15,000 or the sterling equivalent, inclusive of charges. No commission will be chargeable in respect of each sale made. It is possible that other taxes or costs may exist that are not paid via or imposed by Capita.
5. The Service is only available to private individuals (including registered personal representatives) who are 18 years and over and who are registered shareholders resident in the UK (excluding the Channel Islands and the Isle of Man). For the purpose of the FSA rules, you will be classified as a Retail Client. The Service is not available to persons or firms who are authorised and regulated by the FSA, their nominee bodies or custodians or other EU regulated persons or firms.
6. In providing the Service to you in relation to the Company's ordinary shares, which are non-complex instruments traded on a regulated market, Capita is not required to assess the suitability of the instrument or the service provided or offered to you and, as a result, you will not benefit from the protection of the FSA rules on assessing suitability. Therefore we will not assess whether:
  - (i) the Service meets your investment objectives;
  - (ii) you would be able financially to bear the risk of any loss that the Service may cause; or
  - (iii) you have the necessary knowledge and experience to understand the risks involved.
7. Capita is also not required to assess the appropriateness for you of any product, service or transaction provided or offered to you in connection with the Service.
8. All sale request forms should be completed and signed where indicated and returned to Capita together with your valid share certificate(s) in the pre-paid envelope provided. Dealing will normally take place once a week on a Thursday (the "Dealing Day") while the Service remains open. A Business Day is defined as a day on which the London Stock Exchange is open for business. Instructions received on a Saturday, Sunday, a UK bank holiday or any day which is not a Business Day will be deemed to have arrived on the immediately following Business Day. The Service is for a limited period only and will start at 10am on 3<sup>rd</sup> December 2007 and end at midday on 24<sup>th</sup> December 2007.
9. Instructions received on any day which is not a Business Day will be deemed to have arrived on the next Business Day. All sale instructions will need to be received by midday two Business Days prior to the next Dealing Day so as to qualify for dealing to take place on that Dealing Day.
10. Capita will comply with its regulatory obligation to act in your best interests when receiving orders from you and transmitting them to brokers on your behalf for execution. Capita does not execute orders itself. Capita will place the order with an authorised broker for execution. This will usually be Winterflood Securities Limited. Capita reserves the right at any time to instruct any other broker authorised and regulated by the FSA to execute orders on your behalf. Capita will rely on these brokers to take all reasonable steps to obtain, when executing orders, the best possible result, in accordance with the rules of the FSA. The main factors normally used to determine the best possible result will be price and the costs related to
11. All shares donated to ShareGift (Registered Charity 1052686) will be sold on behalf of ShareGift at the end of the postal dealing service. Your donation to ShareGift will be completed within one month. You will receive a letter confirming your donation.
12. You may not specify the price or date at which shares will be sold. You will be solely responsible for the decision to sell your shares. We do not accept limit orders. Neither Capita nor the broker will provide investment or taxation advice to you as part of the Service. If you are in any doubt as to what action (if any) to take, you are recommended to seek your own advice from a suitably qualified advisor.
13. Settlement of sales will take place three Business Days after dealing. The Business Day following the receipt of the broker's contract note, Capita will send you a sale advice giving details of the sale (which should be retained for taxation purposes) and a sterling cheque for the proceeds, dated for the settlement date. Please note that the cheque and sale advice will be sent to the registered address appearing on the register and the cheque will only be made payable to the named shareholder(s) or their legal personal representatives. Where holdings are registered in joint names, settlement cheques will be made payable to all registered holders. Cheques cannot be made payable to one of the joint holders unless we are in receipt of written instructions to that effect. Such instructions must be signed by all registered holders. A cheque for £12.50 (including VAT), payable to 'Capita IRG Trustees Limited' should accompany any such request - this is our administration charge for re-issuing a cheque. Cheques will not be made payable to any other third party except at our absolute discretion.
14. A share is a portion of the capital stock of a company which typically entitles the holder to vote at general meetings, receive income in the form of dividends and to share in the surplus assets of the company in the event of a winding-up.
15. The price of a share depends on fluctuations in the financial markets outside Capita's control and past performance is no indicator of future performance. You may not recover the amount of money you invest. The value of shares and the income from them can fall as well as rise and you may not recover the amount of money you invest.
16. Your order may be aggregated with those of other shareholders for execution. Aggregated orders may result in a large number of shares being dealt in the market which may result in a higher or lower price being obtained or a delay in executing the order in full on the designated market. In the event that it is not possible to fully execute an aggregated order on the day the order is placed, the broker will be instructed by Capita to fulfil the order in its entirety, which may take a number of days. Sale proceeds will only be issued after the broker has provided a contract note to Capita confirming fulfilment of the order. In placing an aggregated order irrespective of the size of the order and the length of time taken to fulfil the order in the designated market, a more or less favourable price might be achieved than if your order had been executed separately.
17. Capita reserves the right to deal more or less frequently than stated herein, where in its opinion it would be prudent to do so, such as where extreme volumes of instructions have been received, or a purchaser cannot be found. We will not be responsible for any changes in the share price between the time you decide to deal and when the deal is executed.
18. In the event that your instruction is received, accompanied by any documentation that requires verifying and/or authenticating this may result in a delay in the execution of the deal. Examples of such documentation may include but are not restricted to a marriage certificate, death certificate, grant of representation, power of attorney, or court orders. In such circumstances Capita will use its reasonable endeavours not to cause undue delay in the execution of the instruction to deal. Should an instruction to deal be delayed due to the circumstances described in this clause, Capita will not accept responsibility, nor be held liable for, the fluctuation of the share price and therefore any actual or opportunity loss or gain in connection with this transaction or any related transactions that may or may not be disclosed to Capita.
19. In accordance with the FSA rules regarding Client Money, funds will be classified as Client Money and will be pooled with funds held on behalf of other investors using the Service. **This means that if a pooling event should occur, such as the failure of Capita or its bankers, all Client Money bank accounts operated by Capita will be pooled together which may result in each investor receiving less back than they may be entitled to.** We will be discharged from our fiduciary position held only in relation to the Client Money when the

net sale proceeds have cleared from our bank account. All funds will be held in a non-interest bearing Client Money bank account.

20. Any balances due which are unclaimed by you will cease to be treated as Client Money after six years and will be retained by us subject to our having taken reasonable steps to locate you and to give you at least 28 days' notice of this eventuality. We undertake to make good

any valid claim that may subsequently be made against any balances retained by us in this way. We reserve the right to request such evidence as we feel necessary to confirm the identity of the person claiming these funds in order to validate any claim prior to settlement in respect of funds so removed from the Client Money account and will not be liable for any losses or claims for interest whatsoever.

21. The Service is not being offered to residents of any territory outside of the UK. Any such person receiving the Service documents should note that they are for information only. It is the responsibility of a shareholder in any jurisdiction to ensure compliance with local law and regulatory requirements.
22. Your instructions may not be withdrawn once dispatched. Your instructions must be in writing and no email, telephone or facsimile instructions will be accepted. In the event that documentation is incomplete, has been incorrectly completed or where we are unable to obtain clarification of instructions, the documentation will be returned to you at your own risk without any action being taken in relation to the Service.
23. We will not accept responsibility for any documentation before it is received by us, or after it has been dispatched to you. All documents whether posted by you or by us will be posted at your own risk.
24. We reserve the right to require any person(s) using this facility to produce satisfactory evidence of their identity to enable compliance with applicable regulations (e.g. UK money laundering regulations). We will not be liable for any loss that may result from any delay whilst your identity is being verified.
25. By instructing Capita to sell your shares through the Service, you undertake, represent, and warrant that (a) your shares will be transferred with full title guarantee and free from liens, charges, or other third party rights and any encumbrance of any kind; (b) that you and any underlying beneficial owner are entitled to sell the shares and (c) that the use of the Service by you or the sale of the shares pursuant to the Service does not and will not breach any applicable laws.
26. We will not be liable for any special, indirect or consequential damage or loss suffered by you (including any loss of profits).
27. Nothing in these Conditions excludes or limits (i) our liability for death or personal injury caused by our negligence; or (ii) our liability for any losses or

expenses suffered as a direct result of our fraud; or (iii) any other liability which cannot be excluded or limited by law, including the FSA rules.

28. In accordance with FSA rules, Capita has in place arrangements, which may be updated from time to time, to manage conflicts of interest that arise between itself and its clients or between its clients. Capita will deal with potential conflicts of interest in accordance with its Conflicts of Interests Policy which provides that it will identify and manage conflicts of interest to ensure fair treatment of all clients and that it acts in the client's best interests. If it is not possible to manage or avoid a potential conflict of interest then Capita may seek to disclose the general nature and/or sources of conflict to you before undertaking business for you. Capita will provide full details of the Conflicts of Interest Policy upon receipt of a written request from you.
29. The Data Protection Act 1998 ("DPA") governs the way in which your personal data is held and used. Capita will protect your personal data in accordance with the principles of the DPA. You are entitled on payment of a fee (currently £10) to a copy of the data we hold about you. If you believe that any data held about you is incorrect or incomplete, you may request it to be completed or corrected.
30. These Conditions are governed by English Law and the parties submit to the exclusive jurisdiction of the English Courts. All correspondence will be in the English language.
31. If you think that you have reason to make a complaint, please write in the first instance to us at Capita IRG Trustees Limited, Regulated Business, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Your complaint will be fully investigated and a full resolution sought. If you remain dissatisfied, you may be able to refer the matter to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Capita's complaints procedure is available upon request, but a copy will automatically be provided in the event of a complaint being received.
32. We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. These amounts may be subject to change. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, 7th Floor, Lloyd's Chambers, 1 Portsoken Street, London E1 8BN. Telephone: 020 7892 7300.

© Capita IRG Trustees Limited

October 2007

## **MISSING SHARE CERTIFICATE DECLARATION AND UNDERTAKING**

This declaration and undertaking only applies to shareholders who have not enclosed valid share certificate(s) with their postal sale/donation request form and the value of their missing certificate(s) is under £100.

To DM plc (hereinafter called "The Company") and Capita Registrars Limited, the registrars of the Company.

In consideration of your registering a transfer pursuant to the sale of shares in the Company through the Postal Dealing Service without production of the relevant document(s) of title to the shares, which has/have been lost, stolen or destroyed, I confirm that neither the relevant share certificate(s) nor the shares represented by it/them, have been transferred, charged, lent, deposited or dealt with in any manner and that the person named in the relevant share certificate(s) is the person entitled to the shares so represented and further jointly and severally agree:

- (a) to return immediately to Capita Registrars the original share certificate(s) if found hereafter;
- (b) to indemnify you and each of you against all claims, demands, liabilities, costs, charges and expenses that may be brought against or incurred by you arising out of or in connection with the original document of title still being in existence or the registration of a transfer as specified above;
- (c) in the event of any legal proceedings being instituted against you in connection with any such claim, from time to time upon demand to provide you with such funds as you may require to defend such proceedings and in default of my/our so doing you shall be entitled to admit or settle such proceedings on such terms as you may think fit without prejudice to your right of recourse to me, and;
- (d) this Declaration and Undertaking is governed by English Law.



**DONATION TO SHAREGIFT**

DM plc has made arrangements for shareholders, if they wish, to donate their shares to the charity ShareGift (registered charity No 1052686). Capita IRG Trustees has agreed to make no charge to the shareholder for donations of shares to ShareGift. ShareGift was set up in 1996 to make it easy for shareholders to give unwanted shares to benefit charities. ShareGift collects donated shares until there are enough to sell and distributes the proceeds to other UK charities. As a result of this work, ShareGift has raised millions of pounds and made donations to hundreds of different UK registered charities, representing the widest possible range of charity work. When choosing charities to support at the end of this programme, ShareGift's trustees will be guided by charity suggestions from people who have donated their shares to ShareGift. If you donate your shares to ShareGift, you will receive a letter of confirmation giving details of your donation and an explanation of how to suggest a charity if you wish. Please do not write charity details on the postal sale/donation request form.

**TAX INFORMATION FOR DONATION OF SHARES:** If you are a UK tax payer, you may be able to claim income tax relief on the value of your donation of shares to ShareGift. If you wish to claim tax relief, you should keep a dated copy of the postal sale/donation request form as evidence of the donation made. This date may be used as the date of the donation for the purposes of calculating the value of the holding of your claim. In addition, under current law, donations of shares to charity give rise to no gain or loss for Capital Gains Tax purposes.



**POSTAL SALE/DONATION REQUEST FORM – DM plc**

IVC 00000000

Amount of DM plc ordinary 1 pence shares to be sold: Number

**In the name(s) of:**

1st Shareholder  
Address01  
Address02  
Address03  
Address04  
Address05  
Address06

2 2nd named holder  
3 3rd named holder  
4 4th named holder

**To sell your entire holding of DM plc ordinary 1 pence shares**

All shareholders must sign this form below and return with the relevant share certificate(s) in the envelope provided by midday on the 24<sup>th</sup> December 2007.

**To donate your entire holding of DM plc ordinary 1 pence shares**

Write the word "SHAREGIFT" in the box

and all shareholders must sign this form below and return with the relevant share certificate(s) in the envelope provided by midday on the 24<sup>th</sup> December 2007.

**Missing share certificates**

If you are unable to find your share certificate(s) and the value of your missing certificate(s) is under £100, your signature(s) below will also confirm your agreement to the Declaration and Undertaking which can be found under the terms and conditions of the service accompanying this form.

If the value of your missing share certificate(s) is over £100 please contact the Registrar on 0871 664 0300 to request a new certificate before returning this form.

**TO SELL OR DONATE YOUR SHARES ALL SHAREHOLDERS PLEASE SIGN BELOW**

I/we appoint Capita IRG Trustees Ltd to act as agent to sell or donate the number of DM plc ordinary shares shown above in accordance with the terms and conditions accompanying this form. I/we authorise Capita IRG Trustees Ltd to execute a transfer to give effect to the sale or donation of my/our shares.

Where a valid certificate is not enclosed with this form, I/we acknowledge that the value of my/our missing certificate/s is under £100 and that I/we have read the terms and conditions of the Declaration and Undertaking accompanying this form.

First Named Holder:

Second Named Holder:

Third Named Holder:

Fourth Named Holder:

Daytime telephone number (for use in the event of a query) .....

53606/01/13

**If you need assistance, please call the share dealing helpline on 0871 664 0313**