

Date: 3 October 2008
On behalf of: Digital Marketing Group plc ("DMG", "the Company" or "the Group")
Embargoed until: 0700hrs

Digital Marketing Group Acquires Gasbox

Digital Marketing Group (AIM: DIGI), the digital direct marketing specialist, announces the acquisition of 100% of the entire issued share capital of Gasbox Ltd. for an initial consideration of £1.0m in cash and a maximum deferred consideration of £9.0m consisting of a combination of cash, options and shares. Digital Marketing Group may also elect to satisfy the share component in cash. The deferred consideration will be dependent on Gasbox achieving certain profit targets over the 6 months and the 18 month periods following the acquisition. Gasbox will be part of DMG's Direct Marketing segment.

Gasbox develops and executes direct voice marketing campaigns based on highly targeted customer information and dynamic data management. Gasbox was launched in 2006 by Andy Gardner and Martin Boddy, founders and current managers of Jaywing, the data services specialist company in the DMG Group. Gasbox has an established relationship with Jaywing and a proven track record of working together on the successful delivery of client projects. The strength of a joint Gasbox/Jaywing proposition is based on the combination of Jaywing's Digital Brain with the first-class execution capabilities of Gasbox. Digital Brain enables the creation of unique contact strategies for each individual consumer, based on historical data and real-time interactions.

Gasbox reported gross profit of £1,333,000 and EBITDA of (£44,000) for the year ending 31 March 2008 and gross profit of £1,160,800 and EBITDA of £358,000 for the five month period ending 31st August 2008.

Gasbox also complements DMG's existing voice marketing business, HSM, and the acquisition will enable the Group to offer clients an integrated voice and data business with both B2B and B2C offerings. There are also opportunities for synergy in terms of premises and infrastructure, as well as capability.

The acquisition will be funded via a combination of existing cash resources, loans and bank facilities. Adjustments to the consideration are in place in relation to agreed minimum net asset balance sheet positions retained by the businesses.

Commenting on the acquisition, Ben Langdon, Digital Marketing Group's Chief Executive, said: *"I am delighted to announce the acquisition of Gasbox. The business will bring to DMG a new route to deliver and leverage our Digital Brain offering. Gasbox's successful track record at working with the*

Group confirms the opportunity to be gained from bringing the companies together. We look forward to welcoming Gasbox into the Group”

Chris Hancock, Managing Director of Gasbox said: “Joining DMG marks the beginning of an exciting phase in Gasbox’s development. Our consumer voice expertise and growth ambitions are a natural fit with DMG; highlighted by our recent award win for a campaign that used Digital Brain. I look forward to the opportunity to grow our business and proposition as part of an organisation that is at the cutting edge of marketing.”

- Ends -

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Notes to Editors:

- Digital Marketing Group (AIM: DIGI) listed on AIM in October 2006, employs over 550 people and has a market capitalisation of over £50m.
- Digital Marketing Group is a digital communications group that uses the principles of direct marketing to inform everything that it does. Its philosophy is that “Good digital marketing is good direct marketing”.
- Digital Marketing Group is the 3rd biggest digital marketing agency in the UK (NMA Magazine Sep 2008).
- Digital Marketing Group is not a marketing services group. It is a specialist in digital communications and underpins its expertise with some of the best direct and data marketing people in the UK.
- At the heart of the company is Digital Brain - a process which enables the real time integration of “digital, direct and data”. This helps create unique contact strategies for each individual based on their historical data and real time interactions regardless of channel.

Digital Marketing Group's development strategy consists of three key elements:

- "organic growth" - driven by the inherent growth within the acquired businesses and the application of a group business development programme
- "buy and build" - through the acquisition of a number of well run and profitable businesses with complementary skills in digital direct marketing and;
- the creation of new businesses from within the existing talents and resources of the group.

Digital Marketing Group has three business segments:

1. Online Marketing and Media

- The online marketing and media segment is the company's largest segment and employs over 250 staff in offices across the UK.
- The segment offers clients an integrated package of online marketing and media services including PPC, SEO, Web design and build, E-commerce, Online PR, Social Media, Online Brand Consultancy, CRM, E-CRM, Viral Marketing, Online advertising, Online media planning and buying, Mobile marketing. These services are integrated with the other services in the group through Digital Brain.

2. Data Services

- Data services and consulting are provided by Jaywing, employing 100 consultants in online and offline data and information services, delivered and integrated with other services in the group via Digital Brain.

3. Direct Marketing

- The direct marketing segment develops and executes direct marketing campaigns through voice channels as well as offline and online media. These campaigns are based on highly targeted customer information and dynamic data management and are integrated through the use of Digital Brain. The direct marketing segment employs nearly 200 people.