

Date: 7 October 2008
On behalf of: Digital Marketing Group plc (“DMG”, “the Company” or “the Group”)
Embargoed until: 0700hrs

Digital Marketing Group Acquires Prodant Limited

Digital Marketing Group (AIM: DIGI), the digital direct marketing specialist, announces that its subsidiary, Alphanumeric Limited, is acquiring 100% of the entire issued share capital of Prodant Limited. An initial consideration of £165,000 in cash may increase up to a maximum consideration of £750,000 dependent on Prodant achieving certain profit targets over the six month and the 18 month periods following the acquisition. Prodant will be integrated into Alphanumeric’s specialist data services business, Jaywing.

Established in 2003, Prodant offers a range of training and development programmes for call centres in the UK. These include performance audits, training outsourcing and services in the fields of collections and recoveries, sales and customer service. Prodant also offers wider call centre consultancy. Prodant’s current and prospective clients are drawn from a variety of sectors including financial services, utilities, insurance and healthcare and it reported gross profit for the year ended 30 June 2008 of £603,000 and EBITDA of £121,000.

The Group believes there are significant opportunities for synergies and cross-selling with Prodant, and Jaywing plans to enhance the data and analytics component of the Prodant offering in order to assist call centres in making better use of their customer information to increase productivity and reduce costs. An area of specific current interest to Jaywing is Collections and Recoveries where a joint product with Prodant has already been identified.

The acquisition will be funded via a combination of existing cash resources 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, Andy Gardner, Jaywing’s Managing Director, said: *“I am delighted to announce the acquisition of Prodant. Jaywing’s objective has always been to develop the intelligent use of data at all points of customer contact. Through the acquisition and integration of Prodant we will be able to extend Jaywing’s comprehensive and expert offering, particularly in credit risk, where Prodant has a successful track record. With Jaywing and Prodant already*

sharing some clients in the Financial Services and Utilities sector we are confident this will provide an excellent platform for a smooth integration and successful future product development.”

- 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 nearly 100 consultants in online and offline data and information services.

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

Publication quality photographs are available via Redleaf Communications.