



**DEBT FREE DIRECT GROUP PLC:
OFFER FOR PREFERENCE SHARES/LOAN NOTES**

Further to the announcement made earlier today, there has been a clarification with regard to further acceptances received. Consequently the statement has been amended as follows.

On 22 December Debt Free Direct Group plc (“the Company”) announced that it had made an offer (“the Offer”) to acquire all of the preference shares and loan notes issued by its subsidiary Debt Free Direct Limited (“Debt Free Direct”). This Offer was subject to a number of conditions all of which have now been satisfied.

Outcome of the Offer

The Directors are pleased to announce that acceptances of the Offer were received in respect of 96.5% by value of the total preference shares and loan notes (£2,823,464).

The amount payable by the company in February 2004 in cash in respect of the acquisition of preference shares and loan notes is £1,359,985. The remaining preference shares (totalling £103,283) fall due for redemption as follows:

	£
2005	34,821
2006	53,402
2007	<u>15,060</u>
	103,283
	<u>=====</u>

Consequently the total cash payable by the Company in respect of the Offer and the future acquisition or redemption of the remaining preference shares will be £1,463,268 .

The total amount which would have been payable had the Offer been accepted in full for cash would have been £2,051,434. The maximum amount which would have been payable upon due redemption of the loan notes and preference shares had the Offer not have been accepted would have been £2,926,747.



Pursuant to the Offer 2,032,520 Ordinary Shares will be issued at a price of 60p per Ordinary Share (the price at which Ordinary Shares were issued as part of the recent placing). These shares are subject to “lock-in” arrangements for a two year period.

Enquiries:

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