

ASX Release

17 May 2012

Update on FY12 Outlook

The Directors of Digital Performance Group Ltd (ASX:DIG) wish to provide an update on year to date trading performance:

- The media advertising market continues to experience significant volatility with reduced or delayed spend due to depressed advertiser and consumer confidence;
- As a result, the *Empowered Communications* (Empowered) business unit has experienced materially lower marketing spends than targeted in Q3FY12, and these conditions are now expected to continue into Q4FY12;
- This has resulted in a lowering in the outlook for *Empowered*, with underlying EBITDA¹ now expected to be in the range \$1.4m - \$1.5m (down from prior guidance of \$2.5m - \$2.8m);
- The *deal group media* (dgm) business unit has been trading in line with expectation due to recent strength in its finance category, the ongoing growth of online retail, and an increase in paid search campaigns. The business is therefore expected to deliver a result in line with its forecast for FY12.

As a result of the ongoing underperformance in the *Empowered* business unit, the Company's underlying FY12 EBITDA¹ is now expected to be in the range of \$3.0m - \$3.2m, as outlined below:

Operating Business	Low	High
Empowered	\$1.4m	\$1.5m
dgm	\$1.6m	\$1.7m
Underlying EBITDA before corporate costs¹	\$3.0m	\$3.2

The total Group underlying EBITDA¹ after corporate costs is expected to be \$1.1m to \$1.3m.

¹ Underlying EBITDA for continuing operations excludes business acquisition costs, restructuring expenses and non-cash share option expenses. Underlying EBITDA has been used because the Directors consider that this amount reflects the operating earnings result and excludes costs that aren't attributable to the normal trading activities of the Company.

As outlined in its 29 February 2012 announcement, management is proceeding with a range of strategies to reduce *Empowered's* reliance on cyclical media spend, however results will continue to be primarily driven by broader market conditions in the short term.

DPG remains committed to becoming the dominant provider of lead generation campaigns in the Australian market. By leveraging dgm's extensive publisher network and *Empowered's* owned and represented member databases, DPG is well positioned for improved profitability when confidence returns to the advertising and consumer markets.

About Digital Performance Group Ltd:

Digital Performance Group is an ASX listed holding company for performance-based digital marketing businesses. Digital Performance Group sells targeted and measureable online advertising campaigns that generate online sales, qualified customer leads and increased brand awareness. Results are delivered through a variety of channels such as website banners, email, affiliate and search. Digital performance Group's customers are some of Australia's leading media buyers, advertising agencies and corporates.

Empowered Communications

Empowered has 500,000 Members sourced via a network of six loyalty websites (each site rewards members in exchange for receiving research or emailed offers). Detailed demographic data is collected from each of its members to enable advertisers to conduct highly targeted, performance-based campaigns.

dgm Australia

dgm offers marketing solutions across single or multiple channels – including search engine marketing, affiliate marketing and display marketing, with a clear focus on performance and return on investment.

Clients have access to dgm's specialist platforms and sophisticated proprietary technology, and are guided by experienced account management and consultancy teams.

For further information

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