

## ASX / MEDIA RELEASE

15 DECEMBER 2009

### D2 MARKETING LTD ACN 123 287 025 (COMPANY)

#### Update on Earnings Guidance of 22 September 2009

On 22 September 2009 D2 Marketing Limited (Company, d2) indicated that it was targeting FY10 revenues of \$61.9m-\$68.9m with an EBITDA margin range of 3.5%-7.5% before one-off restructuring costs. At this time the Company also indicated:

- that it was in the early stages of a restructuring process, and faced significant near term risks to its earnings;
- a full year result at the bottom of this range would reflect a continuation of the Company's recent poor performance, whereas the top of the range would reflect a very successful and rapid turnaround during FY10, which may not be achieved; and
- an expectation that a result at the middle of the guidance range may be achievable, however strongly cautioned that the higher end of the range was a stretch target, the achievement of which was uncertain.

Directors now advise that financial results for the five months ending 30 November 2009 indicate an annualized (pre-restructuring cost) EBITDA margin of around 5% (the middle of the range) whereas revenues are trending toward the lower end of the \$61.9m-\$68.9m range.

At this stage there is not sufficient visibility to determine whether the full year result will exceed or fall short of the current run rate. Further, the restructuring process will continue into the third and fourth quarters of FY10 which will continue to affect earnings in FY10.

To enable the Company to complete its restructuring with greater certainty, d2's financier Co-Investor Capital Partners has agreed to waive the financial covenants in its convertible note deed facilities in respect of the period to 31 December 2009 (should a breach occur).

*For further information, please contact:*

Jonathon Meredith-Smith  
Chief Financial Officer  
D2 Marketing Ltd  
T: +61 (0)3 9016 4099

#### About D2 Marketing Ltd

d2 Marketing is a holding company for a group of Digital and Direct marketing companies.

For personal use only