ENLIVEN MARKETING TECHNOLOGIES CORP
Form DEFA14A
September 09, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

ý Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Enliven Marketing Technologies Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

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(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SUPPLEMENT, DATED SEPTEMBER 9, 2008
(To Joint Proxy Statement/Prospectus, Dated August 18, 2008)

Dear Enliven Stockholder:

On or about August 21, 2008, a definitive joint proxy statement/prospectus was mailed to stockholders of DG FastChannel, Inc., or DG FastChannel, and stockholders of Enliven Marketing Technologies Corporation, or Enliven, relating to the special meetings of stockholders of DG FastChannel and Enliven scheduled for September 24, 2008 to consider and obtain approval for certain matters related to a merger agreement that provides for the merger of DG Acquisition Corp. VI., a wholly owned subsidiary of DG FastChannel, with and into Enliven. Following the merger, Enliven will continue as the surviving corporation and a wholly owned subsidiary of DG FastChannel. In the merger, the holders of Enliven common stock will receive shares of DG FastChannel common stock in the amounts described in the accompanying supplement and the holders of DG FastChannel common stock will continue to hold their shares.

On September 4, 2008, the parties amended the terms of the merger agreement to (i) decrease the exchange ratio in connection with the merger from 0.051 to 0.033 shares of DG FastChannel common stock for each share of Enliven common stock outstanding immediately prior to the merger; (ii) decrease the number of Enliven directors that will be elected to the DG FastChannel board of directors upon completion of the merger from two to one; and (iii) increase the amount of expenses that DG FastChannel may be required to reimburse Enliven in the event that the merger does not occur from up to $300,000 to up to $1,500,000.

The Enliven board of directors agreed to this amendment and reduction of the exchange ratio due to, among other reasons, concerns that the issuance of shares of DG FastChannel common stock in the merger would not receive the requisite approval of DG FastChannel stockholders under the rules of the Nasdaq Global Market. **The attached supplement to the definitive joint proxy statement/prospectus describes in greater detail the Enliven board's reasons for approving the amendment and recommending adoption of the merger agreement, as amended, to Enliven stockholders.**

In addition, because the number of shares of DG FastChannel common stock to be issued in connection with the merger is less than 20% of the number of shares of common stock outstanding immediately prior to such issuance, a vote of the DG FastChannel stockholders is not required under the rules of the Nasdaq Global Market to approve the issuance of DG FastChannel shares in connection with the merger. As a result, DG FastChannel will not hold a special meeting of its stockholders to approve the issuance of DG FastChannel common stock in connection with the merger, and the merger agreement has been amended to remove as a condition precedent to the merger approval by the DG FastChannel stockholders of the issuance of DG FastChannel common stock in the merger. A copy of the amendment to the merger agreement is attached as Annex A to this supplement.

Based on the number of shares of common stock of DG FastChannel and Enliven outstanding on September 4, 2008, the last trading day prior to the public announcement of the revised terms of the merger, immediately after the completion of the merger, the holders of DG FastChannel common stock immediately prior to the merger will own approximately 86% of the combined company and the holders of Enliven common stock immediately prior to the merger will own approximately 14% of the combined company.

The Enliven board of directors has determined that the terms of the amended merger agreement, and the merger, are advisable, fair to and in the best interests of the stockholders of Enliven and recommended that stockholders of Enliven approve the merger and adopt the amended merger agreement.

We urge you to read this document and, if you have not done so already, to read the joint proxy statement/prospectus, dated August 18, 2008, which, except as revised or supplemented by this document, remains in full force and effect. **We encourage you to read the joint proxy statement/prospectus, as revised and supplemented by this document, and to carefully consider the risk factors beginning on page 21 of the joint proxy statement/prospectus before voting.**

Your vote is very important. Whether or not you plan to attend the Enliven special meeting of stockholders, please take the time to vote by following the instructions on the enclosed PROXY CARD. If you previously submitted a proxy for the meeting on September 24, 2008, you do not need to complete and submit the enclosed PROXY CARD unless you desire to revoke your previous vote. If you previously submitted a proxy for the meeting on September 24, 2008, and you wish to change your vote, you may do so by following the instructions in the attached supplement to the definitive joint proxy statement/prospectus or on the enclosed PROXY CARD.

The place, date and time of the Enliven stockholders meeting is as follows:

New York's Hotel Pennsylvania
401 Seventh Avenue
New York, New York
September 24, 2008
11:00 a.m., local time

Thank you for your continued support.

Sincerely,

Patrick Vogt

President and Chief Executive Officer
Enliven Marketing Technologies Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under the proxy statement/prospectus, as supplemented or determined if the proxy statement/prospectus, as supplemented is accurate or adequate. Any representation to the contrary is a criminal offense.

This supplement is dated September 9, 2008 and is first being mailed to stockholders on or about September 9, 2008.

CERTAIN FREQUENTLY USED TERMS

Unless otherwise specified or if the context so requires:

"amended merger agreement" refers to the Agreement and Plan of Merger, dated as of May 7, 2008, by and among DG FastChannel, DG Acquisition Corp. VI., a wholly owned subsidiary of DG FastChannel, and Enliven (referred to as the "merger agreement"), as amended as of September 4, 2008, and as it may be further amended from time to time.

"joint proxy statement/prospectus" refers to the joint proxy statement/prospectus included in the Registration Statement on Form S-4, File No. 333-151366, filed by DG FastChannel with the Securities and Exchange Commission, or SEC, and declared effective by the SEC on August 18, 2008, and mailed to stockholders of DG FastChannel and Enliven on or about August 21, 2008.

"proxy statement/prospectus, as supplemented" refers to the joint proxy statement/prospectus, as supplemented by the supplement.

"supplement" refers to the supplement to the joint proxy statement/prospectus, dated September 8, 2008 and mailed to stockholders of Enliven on or about September 9, 2008.

HOW TO OBTAIN ADDITIONAL INFORMATION

The proxy statement/prospectus, as supplemented, incorporates important business and financial information about DG FastChannel and Enliven from documents that DG FastChannel and Enliven have filed with the SEC and that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain these documents through the SEC at *www.sec.gov*. You can also obtain copies of these documents by requesting them in writing or by telephone from DG FastChannel or Enliven at the appropriate address and telephone number:

DG FastChannel, Inc. Investor Relations 750 W. John Carpenter Freeway, Suite 700 Irving, Texas 75039 (972) 581-2000	Enliven Marketing Technologies Corporation Investors Relations 205 West 39th Street, 16th Floor New York, New York 10018 (212) 201-0800

To obtain timely delivery of requested documents prior to the Enliven special meeting, you must request documents no later than September 15, 2008. If you request any incorporated documents, we will mail the documents you request by first class mail, or another equally prompt means, within one business day after your request is received.

See the section entitled "WHERE YOU CAN FIND MORE INFORMATION" beginning on page 105 of the joint proxy statement/prospectus for more information about, including a listing of, the documents incorporated by reference in this proxy statement/prospectus, as supplemented.

You should rely only on the information contained in, or incorporated by reference into, the proxy statement/prospectus, as supplemented in deciding how to vote on each of the proposals. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, the proxy statement/prospectus, as supplemented. This supplement is dated September 8, 2008 and the joint proxy statement/prospectus is dated August 18, 2008. You should not assume that the information contained in, or incorporated by reference into, the proxy statement/prospectus, as supplemented is accurate as of any date other than the date of such incorporation.

The proxy statement/prospectus, as supplemented, does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in the proxy statement/prospectus, as supplemented, regarding DG FastChannel and DG Acquisition Corp. VI. has been provided by DG FastChannel, and information contained in the proxy statement/prospectus, as supplemented, regarding Enliven has been provided by Enliven (other than the financial cash flow projections referred to in the section entitled "Fairness Opinion of Financial Advisor to DG FastChannel" beginning on page 10 of the joint proxy statement/prospectus).

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SUMMARY

This supplement amends and supplements the joint proxy statement/prospectus mailed to stockholders of DG FastChannel and Enliven on or about August 21, 2008. To the extent information in this supplement differs from, updates or conflicts with information contained in the joint proxy statement/prospectus, the information in this supplement governs. You should carefully read this entire supplement and the joint proxy statement/prospectus to fully understand the merger and the related transactions.

Update to Questions and Answers About the Merger

Q:
Why was the merger agreement amended?

A:
The Enliven board of directors agreed to amend the merger agreement and approve a reduction of the exchange ratio payable in the merger due to, among other reasons, concerns that the issuance of shares of DG FastChannel common stock in the merger would not receive the requisite approval of DG FastChannel stockholders under the rules of the Nasdaq Global Market. Because the number of shares of DG FastChannel common stock to be issued in connection with the merger under the amended merger agreement is less than 20% of the number of shares of common stock outstanding immediately prior to such issuance, a vote of the DG FastChannel stockholders is no longer required under the rules of the Nasdaq Global Market. As a result, the merger agreement has been amended to remove as a condition precedent to the merger approval by the DG FastChannel stockholders of the issuance of DG FastChannel common stock in the merger. See the section entitled "Update to Recommendation of the Board of Directors of Enliven; Enliven's Reasons for the Merger" for a more detailed description of the Enliven board's reasons for approving the amended merger agreement and recommending adoption of the amended merger agreement, and the merger, to Enliven stockholders.

Q:
What terms of the merger changed in the amended merger agreement?

A:
The merger consideration for each share of Enliven common stock decreased from 0.051 shares of DG FastChannel common stock to 0.033 shares of DG FastChannel common stock. Based on the number of shares of common stock of DG FastChannel and Enliven outstanding on September 4, 2008, the last trading day prior to the public announcement of the revised terms of the merger, immediately after the completion of the merger, the holders of DG FastChannel common stock immediately prior to the merger will own approximately 86% of the combined company and the holders of Enliven common stock immediately prior to the merger will own approximately 14% of the combined company. The number of Enliven directors that will be elected to the DG FastChannel board of directors upon completion of merger also decreased from two to one and the amount of merger-related expenses that DG FastChannel may be required to reimburse Enliven for increased from up to $300,000 to up to $1,500,000. In addition, because a stockholder vote by the DG FastChannel stockholders is not required, the merger agreement has been amended to remove as a condition to the merger approval of issuance of DG FastChannel common stock at a DG FastChannel stockholder meeting. In the event that the merger agreement is terminated for certain reasons, the fee payable by one party to the other has also been reduced from $3,270,465 to $1,538,984. Lastly, the term "material adverse effect" has been amended to provide that any change in Enliven's cash position since May 7, 2008, and any failure or prospective failure of Enliven to achieve any financial projections prepared by either Enliven's management or DG FastChannel's management will not be considered in determining whether a material adverse effect on Enliven has occurred. Other than the changes discussed above, there have been no other significant changes to the terms of the merger.

Q:

Does the Enliven board of directors still support the merger?

A:

Yes. Enliven's board of directors unanimously recommends that the holders of Enliven common stock vote to approve the amended merger agreement and the merger. In connection with approving and recommending the amended merger agreement, the Enliven board of directors received a written opinion from Needham that, as of September 4, 2008 and based upon and subject to the factors and assumptions discussed with the Enliven board of directors, the exchange ratio, reflected in the amended merger agreement, is fair to the stockholders of Enliven (other than DG FastChannel and its affiliates as to which Needham expressed no opinion) from a financial point of view.

Q:

Has there been any change to the date or locations of the special meetings?

A:

A special meeting of stockholders to approve the issuance of DG FastChannel common stock in connection with the merger is no longer required and, consequently, a DG FastChannel special meeting will not be held. There has been no change to the Enliven special meeting, which will still be held at the place, date and time described below.

The Enliven special meeting will be held at New York's Hotel Pennsylvania, 401 Seventh Avenue, New York, New York on September 24, 2008 at 11:00 a.m., local time. All holders of Enliven common stock at the close of business on August 7, 2008, the record date for the Enliven special meeting, are invited to attend the special meeting.

At the special meeting, the Enliven stockholders will be asked to consider and vote upon a proposal (i) to adopt the amended merger agreement, and approve the merger as contemplated by the amended merger agreement, and (ii) to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the amended merger agreement and approve the merger.

Q:

If I have not already voted, what do I need to do now in order to vote?

A:

If you hold Enliven shares, please refer to the instructions in the joint proxy statement/prospectus for information about how to vote your shares. If you hold DG FastChannel shares, it is no longer necessary to vote your shares.

Q:

What if I already voted? Do I need to vote again? What if I want to change my vote?

A:

If you previously submitted a PROXY CARD for the Enliven special meeting on September 24, 2008, you do not need to submit another PROXY CARD or take any other action unless you desire to change your previous vote.

Although proposal number 1 on the PROXY CARD refers to the merger agreement, all such references to the merger agreement shall be treated as references to the amended merger agreement for the purpose of your vote at the special meeting.

You may, however, change your vote at any time before your PROXY CARD is voted at the special meeting. If you are the record holder of your shares you can do this in one of three ways:

- timely delivery by mail of a valid, subsequently dated PROXY CARD;
- delivery to the Secretary of Enliven before or at the special meeting a written notice that you have revoked your PROXY CARD; or
- submitting a vote by ballot at the special meeting.

If you hold shares in "street name," you should contact your broker or bank to give it instructions to change your vote.

If you choose to send a written notice or to mail a new PROXY CARD, you must submit your notice of revocation or new PROXY CARD in the enclosed postage-prepaid envelope.

FORWARD-LOOKING STATEMENTS

This supplement contains "forward-looking statements." These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management of DG FastChannel and/or Enliven, whose assumptions are based on information currently available to each company's management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely," "potential" "projected" or similar expressions, we are making forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The actual results of the combined company after the merger may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond the ability of DG FastChannel or Enliven to control or predict. Stockholders are cautioned not to put undue reliance on any forward-looking statements.

For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "RISK FACTORS" beginning on page 21 of the joint proxy statement/prospectus.

The list of factors discussed under "RISK FACTORS" that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

UPDATE TO MARKET PRICE INFORMATION

DG FastChannel common stock is listed on the Nasdaq Global Market and Enliven common stock is listed on the Nasdaq Capital Market. DG FastChannel's and Enliven's ticker symbols are "DGIT" and "ENLV," respectively. The following table shows, for the calendar quarters indicated, based on published financial sources, the high and low closing prices of shares of DG FastChannel and Enliven common stock as reported on the Nasdaq Global Market and Nasdaq Capital Market, respectively.

During the periods covered by the following table, neither DG FastChannel nor Enliven paid dividends.

	DG FastChannel Common Stock		Enliven Common Stock	
	High	**Low**	**High**	**Low**
Fiscal Year 2006				
First quarter	$ 7.40	$ 5.20	$1.38	$1.00
Second quarter	$ 7.80	$ 4.65	$1.90	$1.22
Third quarter	$10.64	$ 5.50	$1.69	$1.11
Fourth quarter	$13.53	$10.81	$1.20	$0.63
Fiscal Year 2007				
First quarter	$16.63	$12.79	$0.77	$0.44
Second quarter	$22.22	$15.96	$1.21	$0.33
Third quarter	$24.45	$17.32	$1.09	$0.71
Fourth quarter	$25.91	$17.09	$1.21	$0.66
Fiscal Year 2008				
First quarter	$25.29	$17.71	$1.30	$0.73
Second quarter	$20.64	$16.65	$0.98	$0.60
Third quarter (through September 5, 2008)	$24.06	$16.26	$0.90	$0.50

The prices shown are adjusted to give effect for DG FastChannel's 1-for-10 share reverse split on May 26, 2006.

UPDATE TO RECENT CLOSING PRICES

The following table sets forth the closing prices per share of DG FastChannel common stock and Enliven common stock as reported on the Nasdaq Global Market and the Nasdaq Capital Market, respectively, on September 4, 2008, the last full trading day prior to the announcement of the entry into the merger agreement, and September 5, 2008, the most recent practicable date prior to the mailing of this supplement to Enliven's stockholders.

The following table also sets forth the equivalent price per share of Enliven common stock reflecting the value of the DG FastChannel common stock that Enliven stockholders would receive in exchange for each share of Enliven common stock if the merger was completed on these two dates.

Date	DG FastChannel Common Stock	Enliven Common Stock	Equivalent Per Share Price of Enliven Common Stock with Exchange Ratio of 0.033
September 4, 2008	$ 23.00	$ 0.50	$ 0.76
September 5, 2008	$ 21.80	$ 0.69	$ 0.72

The above table shows only historical and hypothetical comparisons. These prices may fluctuate prior to the merger, and Enliven stockholders are urged to obtain current stock price quotations for DG FastChannel common stock and Enliven common stock and to review carefully the other information contained in the joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote. See the section entitled "WHERE YOU CAN FIND MORE INFORMATION" on page 105 of the joint proxy statement/prospectus.

UPDATE TO THE COMBINED COMPANY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under the terms of the amended merger agreement, the holders of Enliven common stock will receive 0.033 of a share of DG FastChannel common stock for each share of Enliven common stock, and as a result, after the merger, holders of Enliven common stock immediately prior to the merger (other than DG FastChannel and its affiliates) will own approximately 14% of the combined company and the holders of DG FastChannel common stock immediately prior to the merger will collectively own approximately 86% of the combined company.

DG FastChannel will be the parent of Enliven, and will be the surviving registrant following the merger. On the date of the merger, the assets and liabilities of Enliven will be recorded at their estimated fair values.

The combined company unaudited pro forma condensed consolidated financial statements give effect to the merger as if the transaction had occurred on June 30, 2008 for purposes of the combined company unaudited pro forma condensed consolidated balance sheet, and on January 1, 2007 for purposes of the combined company unaudited pro forma condensed consolidated statements of income for the year ended December 31, 2007, and the six months ended June 30, 2008.

The combined company unaudited pro forma condensed consolidated balance sheet and statements of income do not purport to represent what the financial position or results of operations actually would have been if the merger had occurred as of such dates, or what such results will be for any future periods.

The combined company unaudited pro forma condensed consolidated financial statements are derived from the historical financial statements of DG FastChannel and Enliven and the assumptions and adjustments described in the accompanying notes. The pro forma adjustments are based on preliminary estimates and assumptions that DG FastChannel believes are reasonable under the circumstances. Transactions between DG FastChannel and Enliven were not material for all periods presented. The preliminary allocation of the estimated purchase price to the assets and liabilities of Enliven reflects the assumption that assets and liabilities are carried at historical amounts which approximate fair values except for certain purchased intangible assets which have been included at their estimated fair values. A thorough valuation of the purchased intangibles has not been performed. The value of the purchased intangibles included in the combined company unaudited pro forma condensed consolidated financial statements are based on estimates. DG FastChannel determined these estimates by applying a ratio of intangibles-to-purchase price, based on other recently completed acquisitions. The actual allocation of the purchase price may differ materially from that reflected in the combined company unaudited pro forma condensed consolidated financial statements after a more extensive review of the fair value of the assets and liabilities is completed. The combined company unaudited pro forma financial information should be read in conjunction with the historical financial statements and the accompanying notes thereto of DG FastChannel and Enliven incorporated herein by reference in the joint proxy statement/prospectus. The combined company unaudited pro forma condensed consolidated financial statements do not reflect any cost savings, restructuring charges or other economic efficiencies nor debt refinancing which may result from the merger.

COMBINED COMPANY UNAUDITED PRO FORMA CONDENSED

CONSOLIDATED BALANCE SHEET

JUNE 30, 2008

	Historical DG FastChannel	Historical Enliven	Subtotal	Pro Forma Adjustments	Pro Forma Combined
Cash	$ 27,017	$ 1,644	$ 28,661	(2,500)**(1)**	$ 26,161
Accounts receivable, net	28,148	5,872	34,020		34,020
Deferred income taxes	1,756		1,756		1,756
Prepaid expenses and current assets	3,885	431	4,316		4,316
Total current assets	60,806	7,947	68,753	(2,500)	66,253
Property and equipment, net	32,145	2,392	34,537		34,537
Long term investments	10,633		10,633	(10,633)**(1)**	
Goodwill	189,225	15,103	204,328	44,229**(2)**	248,557
Deferred income taxes	676		676	(676)**(1)(2)(4)**	
Intangibles, net	99,271	7,735	107,006	21,416**(2)**	128,422
Other noncurrent assets	5,347	521	5,868		5,868
Total assets	$ 398,103	$ 33,698	$ 431,801	$ 51,836	$ 483,637
Liabilities and stockholders' equity					
Current liabilities:					
Accounts payable and accrued liabilities	$ 17,409	$ 3,154	$ 20,563		$ 20,563
Deferred revenue	2,643	273	2,916		2,916
Other current liabilities		868	868	(92)**(1)(A)**	776
Current portion of long-term debt and capital leases	20,468	389	20,857		20,857
Total current liabilities	40,520	4,684	45,204	(92)	45,112
Long-term debt and capital leases	159,420	4,108	163,528		163,528
Other long-term liabilities	350	8,115	8,465	(4,999)**(1)(A)**	3,466
Deferred income taxes				8,994**(4)**	8,994
Total liabilities	200,290	16,907	217,197	3,903	221,100
Stockholders' equity:					
Capital stock	368,888	320,484	689,372	(251,954)**(1)(3)**	437,418
Accumulated deficit	(173,630)	(302,683)	(476,313)	302,683**(3)**	(173,630)
Treasury stock, at cost	(853)	(1,015)	(1,868)	1,015**(3)**	(853)
Accumulated other comprehensive income/(loss)	3,408	5	3,413	(3,811)**(1)**	(398)
Total stockholders' equity	197,813	16,791	214,604	47,933	262,537
Total liabilities and shareholders' equity	$ 398,103	$ 33,698	$ 431,801	$ 51,836	$ 483,637

Pro Forma Adjustments

(1) Records the estimated purchase price for Enliven as follows:

Cash paid for direct costs of the acquisition	$ 2,500
DG FastChannel's long-term investment in Enliven	10,633
Less: Reversal of accumulated other comprehensive income related to unrealized gains on Enliven investment	(3,806)
Less: Reversal of deferred taxes related to unrealized gains on Enliven investment	(1,991)
Fair value of stock issued	68,531**(B)**
Total estimated purchase price	$ 75,867

(2) Eliminates historical goodwill and allocates the purchase price as follows:

Net tangible assets/(liabilities)	$ (957)**(C)**
Estimated intangible assets:	
Customer relationships	24,394
Tradename	4,387
Technology and other	371
Deferred taxes	(11,660)
Goodwill	59,332
Total purchase price	$ 75,867

(3) Eliminates historical Enliven equity in consolidation.

(4) Reclassifies deferred taxes.

Notes

(A)

As of June 30, 2008 Enliven had recorded a liability in the amount of $5,091 related to warrants issued to shareholders which were accounted for as derivative instruments. DG FastChannel, a holder of Enliven warrants also accounted for as derivative instruments, had recorded an asset in the amount of $1,496. Pro Forma Adjustment 1 above removes $1,496 of the derivative from the combined company's balance sheet, as an inter-company elimination. The remaining $3,595 of liability is assumed to have no fair value after the completion of the transaction, as the underlying warrants in Enliven will be cancelled. Any warrants to be issued by DG FastChannel pursuant to the merger agreement are not expected to meet the definition of a derivative instrument.

(B)

Based upon an estimated closing price per share of $23.51, which is estimated to be the average of closing prices on the date of the announcement of the revised merger agreement, plus the closing price for two days prior to and subsequent to the announcement date, multiplied by estimated number of shares to be issued of 2,915.

(C)

The fair value of tangible net assets acquired from Enliven is based on their book value as of June 30, 2008, which DG FastChannel believes approximates their fair value (with the exception of the liability derivative which is estimated to have no fair value after the acquisition; see Note A above). The amount is calculated as follows: Total assets of Enliven, less Goodwill and Intangibles, less Total liabilities, plus $5,091, the book value of Enliven's liability derivative instrument, the fair value of which is assumed to be zero.

COMBINED COMPANY UNAUDITED PRO FORMA CONDENSED

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2007

(in thousands, except per share amounts)

	Historical			Pro Forma	Pro Forma
	DG FastChannel	Enliven	Subtotal	Adjustments	Combined
Revenues	$ 97,687	$ 18,731	$ 116,418		$ 116,418
Costs and expenses:					
Cost of revenues	41,589	9,068	50,657		50,657
Selling, general and administrative	24,181	17,214	41,395		41,395
Depreciation and amortization	12,865	2,060	14,925	2,664**(1)**	17,589
Total costs and expenses	78,635	28,342	106,977	2,664	109,641
Income (loss) from operations	19,052	(9,611)	9,441	(2,664)	6,777
Unrealized loss (gain) on derivative	(1,707)	3,318	1,611	(1,611)**(2)**	
Interest expense and other, net	2,388	543	2,931		2,931
Total other (income) expense	681	3,861	4,542	(1,611)	2,931
Net income (loss) before provision for income taxes from continuing operations	18,371	(13,472)	4,899	(1,053)	3,846
Provision (benefit) for income taxes	7,501	52	7,553	(5,862)**(4)**	1,691
Net income (loss) from continuing operations	$ 10,870	$ (13,524)	$ (2,654)	$ 4,809	$ 2,155
Basic net income (loss) per common share from continuing operations	$ 0.65	$ (0.17)			$ 0.11
Diluted net income (loss) per common share from continuing operations	$ 0.64	$ (0.17)			$ 0.11
Basic weighted average common shares outstanding	16,631	80,779	97,410	(77,864)**(3)**	19,546
Diluted weighted average common shares outstanding	17,096	80,779	97,875	(77,864)**(3)**	20,011

Pro Forma Adjustments

(1)

Records additional amortization expense related to purchased intangibles of $29,152 based on an assumed weighted-average seven year life. The actual useful life may be different after a more extensive valuation of the intangible assets is completed. For every $1 million change in intangible asset value, the corresponding impact to amortization expense would be $143 per year. If the estimated useful life is decreased or increased by 1 year, the corresponding annual increase or decrease to amortization expense would be approximately $700 or ($500), respectively.

(2)

Eliminates changes in fair value of warrants issued by Enliven and accounted for as derivative instruments as discussed in Note (A) on the combined unaudited pro forma condensed consolidated balance sheet as of June 30, 2008.

(3)

Eliminates Enliven's historical common shares outstanding and adds 2,915 common shares of DG FastChannel, expected to be issued in exchange for Enliven shares.

(4)

Applies an estimated federal and state combined tax rate of 40% to Enliven's net loss from continuing operations, and to the additional pro forma adjustments. No tax benefit of Enliven's net operating loss carryforwards ("NOLs") is assumed at this time. DG FastChannel will perform a detailed analysis to determine the value, if any, of Enliven's NOLs after their limitation under Section 382 of the Code is determined. The tax benefits assumed in these combined company unaudited pro forma condensed consolidated financial statements are derived from DG FastChannel's NOLs which are unaffected by the Enliven transaction.

COMBINED COMPANY UNAUDITED PRO FORMA CONDENSED

CONSOLIDATED STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2008

(in thousands, except per share amounts)

	Historical			Pro Forma	Pro Forma
	DG FastChannel	Enliven	Subtotal	Adjustments	Combined
Revenues	$ 63,669	$ 10,024	$ 73,693		$ 73,693
Costs and expenses:					
Cost of revenues	25,808	5,295	31,103		31,103
Selling, general and administrative	14,543	9,698	24,241		24,241
Depreciation and amortization	7,700	2,069	9,769	233**(1)**	10,002
Total costs and expenses	48,051	17,062	65,113	233	65,346
Income (loss) from operations	15,618	(7,038)	8,580	(233)	8,347
Unrealized loss (gain) on derivative	820	(3,842)	(3,022)	3,022**(2)**	
Interest expense and other, net	2,608	365	2,973		2,973
Total other (income) expense	3,428	(3,477)	(49)	3,022	2,973
Net income (loss) before provision for income taxes from continuing operations	12,190	(3,561)	8,629	(3,255)	5,374
Provision (benefit) for income taxes	4,875	12	4,887	(2,738)**(4)**	2,149
Net income (loss) from continuing operations	$ 7,315	$ (3,573)	$ 3,742	$ (517)	$ 3,225
Basic net income (loss) per common share from continuing operations	$ 0.41	$ (0.04)			$ 0.15
Diluted net income (loss) per common share from continuing operations	$ 0.40	$ (0.04)			$ 0.15
Basic weighted average common shares outstanding	17,913	99,084	116,997	(96,169)**(3)**	20,828
Diluted weighted average common shares outstanding	18,381	99,084	117,465	(96,169)**(3)**	21,296

Pro Forma Adjustments

(1)

Records additional amortization expense related to purchased intangibles of $29,152 based on an assumed weighted-average seven year life. The actual useful life may be different after a more extensive valuation of the intangible assets is completed. For every $1 million change in intangible asset value, the corresponding impact to amortization expense would be $36 per quarter. If the estimated useful life is decreased or increased by 1 year, the corresponding quarterly increase or decrease to amortization expense would be approximately $175 or ($125), respectively.

(2)

Eliminates changes in fair value of warrants issued by Enliven and accounted for as derivative instruments as discussed in Note (A) on the combined unaudited pro forma condensed consolidated balance sheet as of June 30, 2008.

(3)

Eliminates Enliven's historical common shares outstanding and adds 2,915 common shares of DG FastChannel, expected to be issued in exchange for Enliven shares.

(4)

Applies an estimated federal and state combined tax rate of 40% to Enliven's net loss from continuing operations, and to the additional pro forma adjustments. No tax benefit of Enliven's net operating loss carryforwards ("NOLs") is assumed at this time. DG FastChannel will perform a detailed analysis to determine the value, if any, of Enliven's NOLs after their limitation under Section 382 of the Code is determined. The tax benefits assumed in these combined company unaudited pro forma condensed consolidated financial statements are derived from DG FastChannel's NOLs, which are unaffected by the Enliven transaction.

UPDATE TO THE MERGER

Update to Background of the Merger

On or about August 21, 2008, the joint proxy statement/prospectus was mailed to stockholders of DG FastChannel and to stockholders of Enliven. On that same day, Costa Brava Partnership III L.P., a 5% stockholder of DG FastChannel, publicly announced its intention to vote against the merger at the special meeting of DG FastChannel stockholders to be held to vote on the issuance of DG FastChannel common stock to Enliven stockholders in the merger.

On August 22, 2008, the Enliven board of directors held a telephonic meeting, with its legal and financial advisors and members of senior management in attendance, to discuss the Costa Brava press release and potential alternatives in light of concerns that the issuance of shares of DG FastChannel common stock to Enliven stockholders in the merger would not receive the requisite approval of DG FastChannel stockholders under the rules of the Nasdaq Global Market. Mr. Vogt also noted that Mr. Choucair had called him the previous night to discuss a potential revision of the exchange offer payable in the merger from .051 to .031 of a share of DG FastChannel common stock for each outstanding share of Enliven common stock. Mr. Choucair also suggested that, if the exchange ratio was so reduced, the number of directors that Enliven would be entitled to appoint to the DG FastChannel board of directors would be reduced from two to zero and DG would pay Enliven a $1 million termination fee if DG FastChannel stockholders did not approve the revised transaction.

Immediately following this meeting, Messrs. Ginsburg and Choucair met telephonically with the Enliven board of directors. Mr. Ginsburg updated the Enliven board of directors on discussions that he and Mr. Choucair recently had with various DG FastChannel stockholders. Additionally, Mr. Ginsburg discussed DG FastChannel's continued diligence of Enliven's revenue forecast for 2008.

The Enliven board of directors met again on August 27, 2008 to continue its discussion of concerns as to the ability of DG FastChannel to receive the vote of its stockholders, to discuss a recent Form 8-K filing by DG FastChannel and to receive an update from management as to Enliven's business and current forecast. On that same day and on August 28, 2008, Mr. Ginsburg called Mr. Vogt to provide an update regarding DG FastChannel's stockholder meetings held on these dates. Mr. Ginsburg noted that certain stockholders had addressed concerns over the pending merger and indicated that they would be voting against the transaction.

On August 29, 2008, Messrs. Choucair and Vogt discussed a potential amendment to the merger agreement which would include a reduction in the exchange ratio from 0.051 to 0.033, a decrease in the number of DG FastChannel board positions to be filled by Enliven designees from two to one, and the amount of Enliven expenses that DG FastChannel would be willing to reimburse in the event the DG FastChannel stockholders did not vote in favor of the issuance of DG FastChannel common stock in connection with the merger. Messrs. Choucair and Vogt agreed to update their respective boards of directors regarding their conversation and to raise the possibility of an amendment of the merger agreement for consideration by their respective boards of directors.

On September 2, 2008, the members of the DG FastChannel board of directors met telephonically with representatives of Latham who participated in the board meeting at the invitation of Mr. Ginsburg. Mr. Ginsburg provided the board an update of the investor reaction to the pending merger between DG FastChannel and Enliven. Messrs. Ginsburg and Choucair then provided an update of a potential amendment to the merger agreement which would revise the terms of the exchange ratio, the number of board positions to be filled by Enliven designees and Enliven expense reimbursement by DG FastChannel as described above.

On that same day, the Enliven board of directors met telephonically to discuss the terms of the amended merger proposed by Mr. Choucair to Mr. Vogt. Representatives of Milbank, who participated in the board meeting along with representatives of Enliven's financial advisor and members of senior management, described the terms of a draft amendment no. 1 to the merger agreement which they had received from Latham earlier that day. The Milbank representatives also discussed the directors' fiduciary duties in considering the proposed amendment to the terms of the merger, Enliven's alternatives to negotiating the proposed amendment and potential further revisions to the merger agreement that the Enliven board of directors could consider if it were willing to negotiate a lower exchange ratio, including elimination of the condition to consummation of the merger that DG FastChannel stockholders approve the transaction since such a vote would no longer be required under the rules of the Nasdaq Global Market. Next, representatives of Needham updated the board and management on Needham's updated analysis of the proposed reduced exchange ratio. The members of the board then discussed the proposed revision of the exchange ratio, their continued concerns as to DG FastChannel's ability to obtain stockholder approval of the pending transaction, the payment of a termination fee and the Needham analysis, and directed senior management and the Milbank representatives to continue to negotiate the terms of the proposed amendment to the merger agreement and to obtain further corroboration of the DG FastChannel stockholder reaction to the pending merger.

During the remainder of that day and continuing on September 3, 2008, representatives of both DG FastChannel and Enliven and representatives from Latham and Milbank negotiated the terms of a potential amendment to the merger agreement.

On the afternoon of September 4, 2008, DG FastChannel's board of directors met telephonically with a representative of Latham, who participated in the board meeting at the invitation of Mr. Ginsburg. Mr. Ginsburg provided the board of directors with an update of DG FastChannel's interactions with Enliven since the prior DG FastChannel board meeting. Mr. Choucair then discussed the terms of the proposed amendment to the merger agreement, including the fact that because the number of shares of DG FastChannel common stock to be issued in connection with the merger would be less than 20% of the number of shares of DG FastChannel common stock outstanding immediately prior to such issuance, a vote of the DG FastChannel stockholders would not be required. The Latham representative also discussed the DG FastChannel board of directors' fiduciary duties under Delaware law in connection with approval of the proposed amendment to the merger agreement. After a discussion and review of the proposed terms, the members of the DG FastChannel board of directors present at the meeting, acting unanimously, considered and voted to approve the amendment to the merger agreement as DG FastChannel's board of directors deemed it advisable, fair to and in the best interests of DG FastChannel and its stockholders to effect the merger on the terms contemplated by the amendment to the merger agreement.

Also on the afternoon of September 4, 2008, the Enliven board of directors met telephonically, with representatives of Milbank and Needham and senior management in attendance, to receive an update on the negotiations of the proposed amendment to the merger agreement. First, the Milbank representatives reviewed the matters discussed at the September 2nd meeting of the Enliven board and reported that the terms of amendment no. 1 to the merger agreement had been successfully negotiated. Among other items, the Milbank representatives discussed the elimination of the condition that DG FastChannel stockholder approval be obtained, the addition of exclusions to the definition of "Company Material Adverse Effect" relating to changes in Enliven's cash position since the signing of the original merger agreement and Enliven's failure to meet projections prepared by either Enliven's or DG FastChannel's management and DG FastChannel's agreement to reimburse expenses of up to $1,500,000 in the event that the merger was not consummated by October 6, 2008 (subject to extension under certain circumstances) unless such failure was due to a failure to obtain the requisite vote of Enliven stockholders or a breach of the amended merger agreement by Enliven. The Milbank representatives noted that these changes would contribute significantly to deal certainty if the Enliven board were to approve the reduced exchange ratio. Following the Milbank presentation, members of senior management updated the Enliven directors on the status of DG FastChannel stockholder reaction to the pending merger terms.

Next, the Needham representatives presented their financial analysis of the reduced exchange ratio and delivered Needham's oral opinion (which was subsequently confirmed in writing by delivery of Needham's written opinion dated the same date) that, as of such date, and based upon the assumptions made, matters considered and limitations of the review described in the opinion, the exchange ratio of 0.033 of a share of DG FastChannel common stock for each outstanding share of Enliven common stock pursuant to the amended merger agreement was fair to the holders of Enliven common stock (other than DG FastChannel and its affiliates, as to which Needham expressed no opinion) from a financial point of view. The full text of the written opinion of Needham, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitation on the review undertaken in connection with such opinion is set forth as Exhibit B to this supplement. Following further deliberations, the members of the Enliven board of directors, by a unanimous vote (i) approved the amended merger agreement and amendment no. 1 thereto and deemed the amended merger agreement and the transactions contemplated thereby, including the merger, advisable, fair to and in the best interests of the stockholders of Enliven and (ii) recommended that stockholders of Enliven approve the merger and adopt the amended merger agreement.

On the evening of September 4, 2008, DG FastChannel and Enliven entered into amendment no. 1 to the merger agreement and issued a joint press release announcing the amendment of the merger agreement prior to the open of the U.S. financial markets on September 5, 2008.

Update to Recommendation of the Board of Directors of Enliven; Enliven's Reasons for the Merger

In a meeting on September 4, 2008, the Enliven board of directors unanimously declared that the amended merger agreement and the merger, upon the terms and subject to the conditions set forth in the amended merger agreement are advisable, fair to and in the best interests of Enliven and its stockholders. **The Enliven board of directors has unanimously declared that the amended merger agreement and the merger are advisable and recommends that Enliven's stockholders vote "FOR" the adoption of the amended merger agreement and approval of the merger at the special meeting of stockholders.**

In reaching its determination to approve the amended merger agreement and recommend that Enliven's stockholders adopt the amended merger agreement and approve the merger, the Enliven board of directors considered numerous factors discussed with Enliven's outside legal and financial advisors and senior management, including the following factors, each of which the Enliven board of directors believed supported its determinations:

The factors set forth under the heading "Recommendation of the Board of Directors of Enliven; Enliven's Reasons for the Merger" in the joint proxy/prospecuts;

The financial analysis prepared by Needham and presented to the Enliven board of directors on September 4, 2008, together with the oral opinion of Needham that, as of September 4, 2008 and based upon and subject to the factors and assumptions discussed with the Enliven board of directors, the exchange ratio reflected in amended merger agreement, is fair to the stockholders of Enliven (other than DG FastChannel and its affiliates as to which Needham expressed no opinion) from a financial point of view. Such oral opinion was subsequently confirmed by Needham by delivery of its written opinion dated September 4, 2008. For a further discussion of Needham's opinion, see "Fairness Opinion of Financial Advisor to Enliven" on page 14;

The expectation that Enliven stockholders (other than DG FastChannel and its affiliates), immediately after completion of the merger, will hold approximately 14% of the shares of common stock of the combined company and will have the opportunity to share in the future growth and expected synergies of the combined company while retaining the flexibility of selling all or a portion of those shares;

The implied value of the merger consideration represented by the exchange ratio reflected in amendment no. 1, based on the closing price of DG FastChannel's common stock on September 3, 2008 (the last trading day prior to the signing of amended merger agreement), represented a premium of 31.7% to the closing price of Enliven's common stock on such date and represented a premium of 6.4% to the closing price of Enliven's common stock 5 trading days prior to such date;

The relative performance of the market price of Enliven's common stock and DG FastChannel's common stock since May 8, 2008, the date of announcement of the merger agreement, and that the transaction at the original exchange ratio had become increasingly dilutive to DG FastChannel stockholders based on financial projections for the remainder of 2008 and 2009;

The exchange ratio reflected in amended merger agreement will result in Enliven stockholders receiving a larger portion of the shares of stock of the combined company than Enliven's proportionate contribution to the pro forma combined enterprise value, gross profit, EBITDA, EBIT and EBT;

Based on positions taken by several large stockholders of DG FastChannel, conversations with DG FastChannel senior management, certain additional information provided with respect to the votes cast by stockholders and the significant dilution that would be faced by DG FastChannel stockholders during 2008 and 2009 if the merger was completed at the original exchange ratio, the Enliven board of directors concluded that there is a significant risk that the Parent Stockholder Approval would not be obtained unless Enliven agreed to the amended merger agreement reflecting a reduction in the exchange ratio;

The lack of viable alternatives to Enliven should the Parent Stockholder Approval not be obtained and the merger agreement be terminated, including the difficulty it will face in raising cash to bolster its current position (approximately $1,600,000 as of June 30, 2008) in light of the current state of the capital markets and the uncertainties, risks, costs and delays associated with any litigation that might be brought under the merger agreement related to DG FastChannel's inability to obtain the Parent Stockholder Approval;

The fact that the reduction of the exchange ratio reflected in the amended merger agreement eliminated the requirement that Parent seek and obtain the Parent Stockholder Approval, which removes a significant condition and element of uncertainty to the consummation of the merger;

In connection with negotiating the reduced exchange ratio reflected in the amended merger agreement, the Enliven board of directors was able to obtain certain changes to the merger agreement which will enhance the certainty of completion of the merger and provide for expense reimbursement of up to $1,500,000 in the event the merger is not consummated by October 6, 2008 (which date may be extended under certain circumstances) other than due to a breach of the amended merger agreement by Enliven or the failure to obtain the Company Stockholder Approval;

The fee Enliven must pay DG FastChannel in the event Enliven terminates the amended merger agreement to accept a superior proposal (as such term is defined in the amended merger agreement) has been reduced from $3,270,465 to $1,538,964, which represents 2% of the equity value of the transaction, pursuant to the amended merger agreement; and

Although the amended merger agreement reduces Enliven's representation on the DG FastChannel board of directors upon the consummation of the merger from two directors to one director, Enliven's representation will remain proportionate to the percentage of shares of common stock of the combined company that current Enliven stockholders will receive in the merger.

The Enliven board of directors also identified and considered a number of uncertainties, risks and other potentially negative factors, including the following:

- The uncertainties, risks and other potentially negative factors set forth under the heading "Recommendation of the Board of Directors of Enliven; Enliven's Reasons for the Merger" in the joint proxy/prospectus;

- Pursuant to the amended merger agreement, the exchange ratio was reduced from .051 to ..033, representing a reduction of approximately 35%;

- The percentage of the shares of common stock of the combined company that, immediately after completion of the merger, Enliven stockholders (other than DG FastChannel) will hold has been reduced from approximately 20% to approximately 14% pursuant to the amended merger agreement;

- The implied value of the merger consideration represented by the exchange ratio, based on the closing price of DG FastChannel's common stock on September 3, 2008 (the last trading day prior to the signing of the amended merger agreement), represents a discount of 6.4% to the closing price of Enliven's common stock 30 trading days prior to such date; and

- Although Enliven's representation will remain proportionate to the percentage of shares of common stock of the combined company that current Enliven stockholders will receive in the merger, the amended merger agreement reduced Enliven's representation on the DG FastChannel board of directors upon the consummation of the merger from two directors to one director.

The foregoing discussion of the factors considered by the Enliven board of directors is not intended to be exhaustive, but rather includes the material factors considered by the Enliven board of directors in its consideration of the amended merger agreement thereto, and the merger. After considering these factors, the Enliven board of directors unanimously concluded that the positive factors relating to the amended merger agreement, and the merger outweighed the negative factors. In view of the wide variety of factors considered by the Enliven board of directors, and the complexity of these matters, the Enliven board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Enliven board of directors may have assigned different weights to various factors. The Enliven board of directors unanimously approved and recommends the amended merger agreement and the merger based upon the totality of the information presented to and considered by it.

Fairness Opinion of Financial Advisor to Enliven

Enliven retained Needham to act as its financial advisor in connection with the proposed merger and to render an opinion as to the fairness, from a financial point of view, of the exchange ratio pursuant to the amended merger agreement to the holders of Enliven common stock (other than the shares of Enliven common stock held by DG FastChannel and its affiliates, as to which Needham expressed no opinion). The exchange ratio was determined through arm's length negotiations between Enliven and DG FastChannel and not by Needham.

On September 4, 2008, Needham delivered to the Enliven board of directors its written opinion that, as of that date and based upon and subject to the assumptions and other matters described in the written opinion, the exchange ratio pursuant to the amended merger agreement was fair to the holders of Enliven common stock (other than the shares of Enliven common stock held by DG FastChannel and its affiliates, as to which Needham expressed no opinion) from a financial point of view. Prior to its issuance, the Needham opinion was approved by Needham's internal fairness committee. **The Needham opinion is addressed to the Enliven board of directors, is directed only to the financial terms of the amended merger agreement and does not constitute a recommendation to any Enliven stockholder as to how that stockholder should vote on, or take any other action relating to, the merger.**

The complete text of the Needham opinion, which sets forth the assumptions made, matters considered, limitations on and scope of the review undertaken by Needham, is attached to this supplement as *Annex B* . The summary of the Needham opinion set forth in this supplement is qualified in its entirety by reference to the Needham opinion. **Enliven stockholders should read the Needham opinion carefully and in its entirety for a description of the procedures followed, the factors considered, and the assumptions made by Needham.**

In arriving at its opinion, Needham, among other things: reviewed that certain agreement and plan of merger, dated as of May 7, 2008, by and among Enliven, DG FastChannel and the other parties set forth on the signature pages thereto; reviewed a September 3, 2008 draft of the proposed amendment to the merger agreement; reviewed certain publicly available information concerning Enliven and DG FastChannel, including communication by Enliven and DG FastChannel to their respective stockholders, and certain other relevant financial and operating data of Enliven and DG FastChannel furnished to Needham by Enliven and DG FastChannel; reviewed the historical stock prices and trading volumes of the common stock of Enliven and DG FastChannel; held discussions with members of management of Enliven and DG FastChannel concerning their current and future business prospects and joint prospects for the combined companies, including the potential cost savings and other synergies that may be achieved by the combined company; reviewed certain financial forecasts with respect to Enliven and DG FastChannel prepared by the respective managements of Enliven and DG FastChannel and held discussions with members of such management concerning those forecasts; reviewed certain research analyst projections with respect to Enliven and DG FastChannel; compared certain publicly available financial data of companies whose securities are traded in the public markets and that Needham deemed relevant to similar data for Enliven and DG FastChannel; reviewed the financial terms of certain other business combinations that Needham deemed generally relevant; and reviewed such other financial studies and analyses and considered such other matters as Needham deemed appropriate.

In connection with its review and in arriving at its opinion, Needham assumed and relied on the accuracy and completeness of all of the financial and other information reviewed by or discussed with it for purposes of rendering its opinion, and Needham neither attempted to verify independently nor assumed responsibility for verifying any of such information. In addition, Needham assumed that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and that the merger will be consummated upon the terms and subject to the conditions set forth in the amended merger agreement without material alteration or waiver. Needham assumed that the financial forecasts for each company provided to Needham by the respective companies and the joint prospects of the combined companies were reasonably prepared on bases reflecting the best currently available estimates and judgments of Enliven and DG FastChannel, at the time of preparation, of the future operating and financial performance of Enliven and DG FastChannel and the combined companies. Needham relied upon the estimates of Enliven and DG FastChannel of the potential cost savings and other synergies, including the amount and timing thereof, that may be achieved as a result of the merger.

As described above, in preparing certain of its analysis, Needham relied upon a set of projections with respect to Enliven's future financial performance for the period 2008-2012 and upon a set of projections with respect to DG FastChannel's future financial performance for the period 2008-2009. These projections were provided by Enliven's and DG FastChannel's management teams, respectively. Needham noted that these projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Enliven and DG FastChannel management, including, without limitation, factors relating to general economic and competitive conditions, growth rates, market share and pricing. Accordingly, actual results could vary significantly from those set forth in the projections.

Needham did not assume any responsibility for or make or obtain any independent evaluation, appraisal or physical inspection of the assets or liabilities of Enliven or DG FastChannel. Needham's opinion states that it was based on economic, monetary and market conditions existing as of its date, and Needham did not assume any responsibility to update or revise its opinion based upon circumstances and events occurring after the date of that opinion. Needham expressed no opinion as to what the value of DG FastChannel common stock will be when issued to the stockholders of Enliven pursuant to the merger or the prices at which DG FastChannel common stock or Enliven common stock will actually trade at any time. In addition, Needham was not asked to consider, and the Needham opinion does not address, Enliven's underlying business decision to engage in the merger or the relative merits of the merger as compared to other business strategies that might be available to Enliven.

No limitations were imposed by Enliven on Needham with respect to the investigations made or procedures followed by Needham in rendering its opinion.

In preparing its opinion, Needham performed a variety of financial and comparative analyses. The following paragraphs summarize the material financial analyses performed by Needham in arriving at its opinion. The order of analyses described does not represent relative importance or weight given to those analyses by Needham. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Needham, the tables must be read together with the full text of each summary. The following quantitative information, to the extent it is based on market data, is, except as otherwise indicated, based on market data as it existed on or prior to September 3, 2008, and is not necessarily indicative of current or future market conditions.

Pursuant to and as described more fully in the amended merger agreement, each issued and outstanding share of Enliven common stock will be converted into the right to receive 0.033 shares of DG FastChannel common stock. Based on the closing price of DG FastChannel common stock on September 3, 2008, this value was $0.78 per share.

Average Stock Price Ratio Analysis. Needham reviewed the historical trading prices of Enliven common stock and DG FastChannel common stock for various periods prior to September 3, 2008, the last full trading day prior to the date of Needham's opinion, in order to determine the average stock price ratios for the prior close, week, one month, three months, six months, 12 months and two years. "Average stock price ratio" data represent the daily closing stock price of Enliven common stock divided by the daily closing stock price of DG FastChannel common stock averaged over the respective period.

Date or Period prior to May 6, 2008	**Average Stock Price Ratio**
Last two years	0.0505
Last twelve months	0.0418
Last six months	0.0431
Last three months	0.0443
Last one month	0.0376
Last week	0