

June 2008

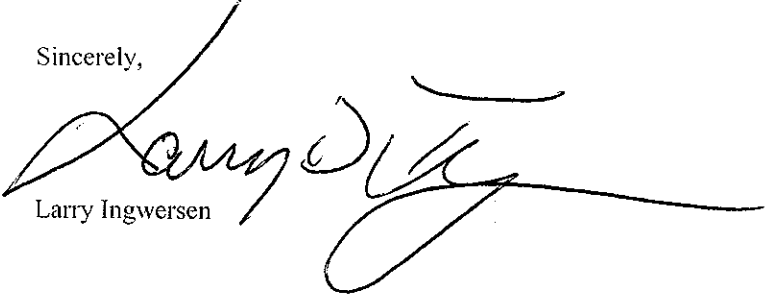
Dear Shareholders:

Since being appointed Digitiliti's CEO and President in April, 2008, I have had the opportunity to meet only a few shareholders in person. One of my goals is to improve the external communications from the Company so I have been looking forward to authoring a series of shareholder letters that are less formal than those initiated by attorneys. The May 2008 billings are a good place to start. Today, I am happy to announce that from April to May, the Company set its own record for single month's growth in reoccurring revenues. We are extremely proud of the sales and operations team who are the key reasons for this growth.

The May monthly reoccurring revenues ("MRR") crossed over the \$260,000 mark, requiring us to move our forecast guides for the third quarter upwards. After reviewing our progress with sales prospects and existing customers, our executive team expects the Company's MRR for the remainder of the 2nd quarter and the 3rd quarter to continue growing at a relatively fast pace. New customer installations should continue to grow at \$7,000 to \$9,000 per month. Revenue from existing customer installations should continue to grow at a rate of 3% per month across the entire customer base. Combining these vectors, the Company expects to grow to an MRR of \$320K for its September 2008 billings. The most significant variable in this forecast is the deployment rate utilized by some larger customers who are in the process of rolling out multiple new installations.

I hope to write a shareholder letter about every other month and, when combined with press releases, shareholder meetings and other communications, shareholders should be well-informed on our progress. As a reminder, Digitiliti's written communications and other information can also be viewed on our website at www.digitiliti.com, under Shareholder Information, and in the EDGAR archives of the Securities and Exchange Commission at www.sec.com.

Sincerely,


Larry Ingwersen