



**ASX/Media Announcement
(ASX: DGI)**

18 February 2011

Digislide Disputes Debt Alleged by Former Consultant

Digislide Holdings Limited received on 17th February, 2011 a letter from MinterEllison on behalf of Rights Commerce Limited (Rights Commerce) purporting that Rights Commerce is a Digislide creditor, and that they have *"instructions to seek orders for the winding-up of the Company and the appointment of a liquidator"*.

Rights Commerce is a UK based registered company (number 07205999) with registered offices at 9 Bentinck St, London, England, W1U 2EL, United Kingdom. Mr Leon Vandenberg (Director) lives in Adelaide, Australia, whilst Mr Timothy Burgess (Director), lives in the UK.

Digislide absolutely disputes the debt, and wishes to fully inform the market accordingly.

The Supreme Court of Victoria has already dismissed an action lodged by Rights Commerce against Digislide in this matter. In September, 2010 the Supreme Court of Victoria set a date for hearing of the matter on 6th October, 2010. Rights Commerce sought an adjournment through their lawyer, Russell Kennedy, until 3rd November, 2010 to enable Rights Commerce time to file the relevant documents.

Rights Commerce were provided with the adjournment to prepare and present their evidence. When the Court resumed no evidence was presented by Rights Commerce.

In the interim, Digislide's lawyer had advised Mr James Neate, Lynch Meyer, acting for Rights Commerce that Digislide disputed, and had always disputed, the debt.

Digislide's lawyer further advised that Mr Vandenberg had *"taken from my client without its permission an Apple Macintosh laptop computer, serial number W87180F7WOH"* and *"the laptop contains confidential information"*, he also advised a report was being made to *"the police regarding the unlawful removal of the laptop from its premises and the subsequent refusal to return it in accordance with many legitimate and reasonable requests"*.

On 5th November 2010 Digislide's lawyer advised Rights Commerce's legal counsel, that no application for substitution in accordance with the Order made by the Court on 20th October 2010 had been received from Rights Commerce.

Having failed to supply the material requested by the Supreme Court of Victoria, the Court issued an Order on the 8th December 2010 stating that the proceeding be dismissed and that Rights Commerce *"pay the Plaintiffs costs from 20th October 2010 on an indemnity basis"*.

Despite the fact that the Supreme Court of Victoria ordered on 8th December, 2010 that Rights Commerce pay Digislide's costs, to date those costs have not been paid.

On Tuesday, 15th February, 2011, Rights Commerce sought leave of the Supreme Court of South Australia *"for the winding-up of the Company and the appointment of a liquidator"* in the event that their alleged debt is not paid.

The Supreme Court of South Australia adjourned the action to 1 March 2011 when Rights Commerce will need to provide supporting material of its claim.

Digislide re-asserts that it disputes that moneys are owed by the Company for services purported to have been provided by Messrs Vandenberg and Burgess and Rights Commerce.

Furthermore, only after repeated requests for intervention from the SA Police were the computer and hard disk drives, which had been removed by Mr Vandenberg, without permission, recovered. An independent third party forensic analysis of the equipment indicated there were further matters of concern.

Digislide disputes and will rigorously defend all rights against Messrs Vandenberg and Burgess and Rights Commerce Limited. The Company will contest this matter and seek the removal of the application through due process.

About Digislide

Digislide is an innovative Australian based company with an extensive Intellectual Property portfolio and proven capacity to design, develop and commercialise complex projection products. The technologies have wide patent protection and have already received international acclaim.

Digislide's strategy is to licence manufacturers to produce miniature projection systems for embedding in mobile and/or hand held communication devices, such as mobile phones, PDA's and notebook computers, and its tactical focus has been to design hand held projectors which complement and interface with 5 of the world's biggest selling electronic devices; Apple's iPhone™ and iPod™, Nintendo's Wii™, Sony's Playstation™ suite and Microsoft's Xbox 360™.

Following the convergence of projection, telecommunications, mobile gaming, and IPTV (Internet Protocol Television) technologies VSDN Pty Ltd (a wholly owned subsidiary) was incorporated.

Virtual Streaming Distribution Network (VSDN) technologies remove the perception of the Internet as **"the digital divide"** and enable it to be **"the fourth utility"**. IPTV brings access to information, education, entertainment, health and wellbeing to a commodity level.



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