

ASX/Media Announcement

6th March, 2011

Digislide Signs Heads of Agreement with Leading Laser Developer

Digislide Holdings Limited ("Digislide", "DGI" or the "Company") is pleased to announce that a Heads of Agreement has been signed with Spectralus Corporation (Spectralus), Santa Clara, USA.



Spectralus has developed a revolutionary Diode Pumped Solid State Laser. This green laser is patented PPMgOLN microchip technology, and offers the world's highest-efficiency, ultra compact green laser platform that is a key for mobile projection applications.

Spectralus has demonstrated high quality in the design and development of their green lasers.

Digislide has an extensive Intellectual Property portfolio and proven capacity to design and develop complex 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.

Digislide has also designed and developed a range of miniature projection systems for embedding in mobile and/or hand held communication devices, such as mobile phones, PDA's and notebook computers. These systems are known as Digismart Miniature Projection Technologies™ and Digislide Inside™.

Luceille Outhred, Digislide's CEO, said "Digislide's high quality LED based projection systems have received a lot of attention around the world. However, we have "kept under wraps" the development work that our Chief Technologist, Peter Rubinshtein, and Senior Optics Engineer, Danny Jung have been doing with laser based projection systems. Laser based projection systems are ideal for embedding in smaller hand held devices such as mobile phones and in defence and medical applications."

The Heads of Agreement envisages that:-

- Digislide and Spectralus will mutually provide significant documentation, technical specifications and patent information to each other with regard to the specific optimisation of the design, development, manufacture and assembly of



lasers suitable for use within Digismart Miniature Projection Technologies™ and Digislide Inside™ projection systems.

- the resultant lasers will be suitable for use in consumer, commercial, industrial and military projection systems potentially developed by Digislide
- the resultant lasers will be designed for projection systems developed by other manufacturers of pico or hand held projectors, mobile phones, PDAs games consoles, GPS devices, laptops, cameras, tablets, and similar portable display devices
- Digislide will provide significant support, resources and technical expertise towards the optimisation of the design of lasers of particular benefit to the "pico", hand held or miniature projection technologies and products.
- Spectralus will provide significant support, resources and technical expertise towards the development and manufacture of lasers of particular benefit to the "pico", hand held or miniature projection technologies and products.
- Joint demonstrations of the resultant lasers and projectors and projection systems will occur at trade shows, expos, and to potential customers or licensees.

The Heads of Agreement covers details regarding:-

1. Technical Design
2. Componentry and Product Development
3. Patent Ownership
4. Licensing Arrangements
5. Manufacturing
6. Presentations
7. Funding Opportunities



It is understood by both parties that the opportunities could roll out over a period of 8 years or more.

Mr Stepan Essaian, President and Chief Executive Officer of Spectralus, said "We are very motivated with regard to this collaboration with Digislide. We believe there are some promising opportunities for both companies, and that the relationship will be very fruitful."

About Spectralus

Spectralus Corporation was founded in 2003 in California, with the mission to develop high-efficiency, mass-manufacturable periodically poled nonlinear crystals and laser products enabled by these crystals. Spectralus has developed and fine-tuned a manufacturing recipe for its engineered nonlinear crystal.



Spectralus has three key components, including the PPMgOLN, which is used for high-efficiency nonlinear conversion of laser sources (most commonly, near-infrared) into more desirable wavelengths such as blue, green and yellow (400~600nm) via second-harmonic generation process and mid-IR via DFG or OPO processes.

Spectralus' PPMgOLN elements are ideal for high-quality and cost-effective applications in instrumentation, laser displays, biomedical, scientific, and other laser markets

In 2008-09 they focused on developing a high-efficiency, ultra-compact green laser source suitable for mobile projection.

This development program resulted in the miniature ATTO green laser that became available to customers in 2010.

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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