

29 April 2011

Reconciliation for use of Funds

Digislide Holdings Limited is pleased to report on the actual use of funds against the intended use of funds noted in its prospectus dated 11 December 2008 (and subsequent supplementary prospectuses).

Details are set out in the attached Annexure A.

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.

Further information contact:

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DIGISLIDE HOLDINGS LIMITED

**Annexure A
COMMITMENTS TEST ENTITY**

	Applied at Listing	Applied to December 2009	Applied to March 2010	Applied to June 2010	Applied to September 2010	Applied to December 2010	Applied to March 2011	Current Status	To be Applied from Profits and/or Additional Funding
Actual Funds Raised	\$ 3,014,000.00								
Cash Funds in hand prior to issue of prospectus	\$ 47,366.00								
Total Funds Available at Listing	\$ 3,061,366.00								
Application of Funds									
Commercialisation of Digivision™ (now Digipro SVGA Projector)	\$ 195,000.00	\$ 180,000.00	\$ 40,000.00	\$ 10,000.00	\$ 25,000.00	\$ 56,000.00	8,000	Finalised - Late Stage Commercialisation Product Entering Market in May	\$ 22,000.00
Commercialisation of SingRay™	\$ 30,000.00			\$ 10,000.00	5,000	9,675	39,675	No Docking Station. Product change to fit with market shifts	\$ -
SingRay Audio Docking Station									
Commercialisation of Digishow™	\$ 65,000.00							Finalised - Product in Market. Upgrade. Enhanced ergonomics, light output and functionality	
Finalise R&D for embedded Digismart Miniature Projection Technologies™ Digislide Inside®	\$ 293,000.00	\$ 45,000.00	\$ 25,000.00	\$ 55,000.00	\$ 75,000.00	9,500	5,000	Precision Optics and CAD Design	
Commercialisation of XRay™ 480	\$ 65,000.00			\$ 35,000.00	\$ 8,000	19,000	35,000	Market in May	
Xray Audio Docking Station		\$ 235,000.00	\$ 70,000.00	\$ 45,000.00		5,000	3,500	Finalised - Late Stage Commercialisation	
Commercialisation of WeSi™	\$ 57,000.00			\$ 17,000.00		8,500	5,000	Finalised 2 part and composite solutions	
Commercialisation of WeSi™ Audio Docking Station		\$ 220,000.00	\$ 75,000.00	\$ 45,000.00		8,500	1,500	Finalised 2 part and composite solutions	
Commercialisation of Digipro™ (now called Digivision, IPOD™, iPhone™ and iPad™ compatible)	\$ 25,000.00	\$ 5,000.00	\$ 10,000.00	\$ 25,000.00	10,000	0	15,000	Finalising Pre-production	\$ 5,000.00
Contribution towards personnel	\$ 75,000.00			\$ 12,000.00	218,000		101,000	Fully expended	
Payment of Payroll Deductions and Trust Monies	\$ 230,000.00							Finalised	
Expansion of Digislide Americas Inc Office	\$ 75,000.00	\$ 117,000.00	\$ 35,000.00	\$ 3,500.00	3,500	3,500	1,750	Fully expended	
Establish European Office									
Maintenance of Singaporean Office	\$ 103,000.00	\$ 50,000.00		\$ 10,000.00	0	0	0	Now subsumed under China Operations	
Costs of the Offer	\$ 539,479.00	\$ 73,000.00		\$ 62,000.00	25,000	0	0		
Corporate, Travel, Legal and Professional Services	\$ 299,000.00	\$ 25,000.00		\$ 98,000.00	75,000	0	19,000		
Insurances							12,000		
Leased Assets							2,000		
Interest Expense							54,000		
Total Proposed Expenditure	\$ 2,051,479.00	\$ 950,000.00	\$ 255,000.00	\$ 427,500.00	\$ 441,500.00	\$ 134,675.00	\$ 307,425.00		
Additional Product Not Mentioned in the Prospectus									
miniPRO™				\$ 60,000.00		0			Now in Aust and US markets
SLI™ - 150 lumens companion for Nintendo Wii™				\$ 30,000.00		6,000	20,000		Now entering US and Indian markets