

**ASX Announcement
(ASX:DGI)**

30 June, 2011

DIGISLIDE HOLDINGS LIMITED MARKET UPDATE

Digislide Holdings Limited ("Digislide") provides this market update on trading and results guidance against the projections issued to the market in the investor presentation on 11 April 2011.

The projected results for revenue, EBIT, and NPAT for the financial year 2011 were projected to be as follows:

	Projected 2011	Actual 2010
Revenue	1.5M	0.6M
EBIT	-2.0M	-4.31M
NPAT	-2.35M	-4.74M

The projections were based upon anticipated revenue being generated from both the newly established Joint Venture in the USA, existing USA retail channels and Indian distribution networks.

The recent announcement of the distribution agreement, with Ingram Micro a fortune 500 company with 180,000 retail distribution outlets, was finalized late in May 2011. At that time it was decided it would significantly reduce distribution costs to subsume all distribution in the USA through Ingram Micro. Ultimate Projections Inc the Joint Venture partner as notified to the market in February this year was advised in May, as per the conditions in the Agreement, that as at 30th June, 2011, Digislide would withdraw from the Joint Venture.

Over the last month, coding, product warehousing, logistics, and import clearance issues, have taken more time to formalize and finalize than had been anticipated, resulting in the projected revenues being deferred into the new financial year.

The Indian Distributor decided to defer sales until the second generation Digishow™ is released in the 2012 financial year.

Accordingly revenue for FY2011 is expected to be in the range of \$325K, down \$275K on FY2010 (\$600K) whilst EBIT is expected to improve by \$1.3M to -\$3.0M against



FY2010 (-\$4.31M), with NPAT also expected to improve \$1.4M to -\$3.3M against FY2010 (-\$4.74M).

The estimated net loss for FY2011 will be impacted by a \$179K prior year adjustment relating back to FY2009 and the write off of a bad debt for \$102K. All other provisions against the company's assets have been made as required.

Digislide for the next 12 months expects to generate increased revenues from product sales into USA and India through the two major distribution networks whilst growing other existing export markets, commence the generation of revenue from its IPTV licensed technology being commercialized through its subsidiary VSDN Australia Pty Ltd and potentially contract to license its first embedded optical engine into a mass produced electronics product.

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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