



29 July 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:

Jeff King
Company Secretary
Ph: 08 - 8262 3115



DIGISLIDE HOLDINGS LIMITED	Annexure A COMMITMENTS TEST ENTITY		Applied to December 2009	Applied to March 2010	Applied to June 2010	Applied to September 2010	Applied to December 2010	Applied to March 2011	Applied to June 21 Current Status	To be Applied from Profits and/or Additional Funding
	Applied at Listing									
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	\$ 150,000.00	\$ 40,000.00	\$ 10,000.00	\$ 25,000	\$ 50,000	\$ 8,000	\$ 10,000	Finalised - Late Stage Commercialisation	\$ 22,000.00
Commercialisation of SingRay™	\$ 30,000.00			\$ 10,000.00	\$ 5,000	\$ 8,675	\$ 39,675	10,000	Product Entering Market in May	\$ -
SingRay Audio Docking Station									No Docking Station. Product change to fit with market shifts	
Commercialisation of Digishow™	\$ 65,000.00								Finalised - Product in Market. Upgrade. Enhanced ergonomics, light output and functionality	
Finalize R&D for embedded LED based Digismart Miniature Projection Technologies™ Digislide Inside®	\$ 293,000.00	\$ 45,000.00	\$ 25,000.00	\$ 55,000.00	\$ 75,000	\$ 9,500	\$ 5,000	\$ 5,000	Precision Optics and CAD Design	
Commercialisation of XRay™ 480	\$ 65,000.00			\$ 35,000.00	\$ 5,000	\$ 19,000	\$ 35,000	10,000	Product Entering Market in May	
Xray Audio Docking Station		\$ 235,000.00	\$ 70,000.00	\$ 45,000.00		\$ 5,000	\$ 3,500	\$ 5,000	Finalised - Late Stage Commercialisation	
Commercialisation of WeSil™	\$ 57,000.00			\$ 17,000.00		\$ 8,500	\$ 5,000	\$ 5,000	Finalised 2 part and composite solutions	
Commercialisation of WeSil™ 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			\$ 101,000		Fully expended	
Payment of Payroll Deductions and Trust Monies	\$ 230,000.00			\$ 218,000					Finalised	
Expansion of Digislide Americas Inc Office	\$ 75,000.00	\$ 117,800.00	\$ 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	\$ 0			
Insurances										
Leased/Consumer Chattel Mortgage Assets										
Interest Expense										
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 Expenditures Not Mentioned in the Prospectus										
miniPRO™				\$ 60,000.00		\$ 0				Now in Aust and US markets
Shi™ - 150 lumens companion for Nintendo Wii™				\$ 30,000.00			\$ 20,000			Now entering US and Indian markets
Additional Research and Development Not Mentioned in the Prospectus										
Laser Projection Systems										
Software Development										
General Working Capital										
								68,000		
								20,000		
								189,000		