



5 May 2011

Proposed Debt Restructuring

The Directors of Digislide Holdings Limited ("Digislide") wish to advise that at a Board meeting held Tuesday, a proposal was received from the Chief Executive Officer Luceille Outhred, in respect to her personal and related parties unsecured at call loans, and escrowed convertible notes ("Notes") to the Company.

Under the proposal supported and approved by the Board, (but subject to shareholder approval at a general meeting of shareholders) a total of \$300,000.00 would be converted into Notes under the same terms and conditions as those previously approved by shareholders at the AGM last November 2010.

Under the proposal the following would occur (subject to shareholder approval):

- At call loans would be converted into Notes with a fixed term to maturity,
- Maturing Notes currently in escrow until 24 August 2011 would be converted to new Notes,
- Interest currently being paid on these loans and Notes would be reduced by up to 5% on the face value of the loan and or Note, and
- The Company's cash flow position specifically the requirement to repay these loans and Notes would not be impacted for a period of 12 months from the date the Notes were approved for issue.

The Chief Financial Officer stated that this is a sound and commercially sensible proposal and ties more of the Company's external debt into a uniform debt structure with consistent terms, conversion ratios, and lower interest rates.

The proposal will be put to shareholders for approval at the next general meeting of shareholders.

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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