



**ASX Announcement  
(ASX: DGI)**

13 November 2009

**“Large US Fund to Provide \$18M Capital to Take Digislide Technologies Global”**

**New \$18 Million Dollar Capital Facility, an endorsement and facilitator of Growth Potential, by Global Funds**

Digislide Holdings Limited (Digislide/DGI) is pleased to announce that it has executed a GEM EQUITY LINE FACILITY AGREEMENT hereinafter referred to as an Equity Facility (“EF”), with GEM Global Yield Fund Ltd (GEM) headquartered in New York USA.

Ian Mutton, Chairman of the Board of Digislide, stated that “This agreement is seen as substantial endorsement from a major International Institution of major growth initiatives and potential investment and acquisition opportunities for Digislide. This funding will complement the Company’s cash resources from its recent initial public offering in that it will be earmarked for and will provide Digislide with the ability to pursue new growth strategies and objectives.”

GEM, currently has US\$3.4bn under management and is a leading global investment group. GEM was founded in 1991 and has made investments throughout the world including other ASX listed companies.

Under the terms of the EF agreement (which is subject to DGI shareholder approval) GEM has agreed to provide up to \$18.0 million in investment funding to Digislide over a term of up to 3 years. Digislide can decide when and how to draw the funds.

The GEM support was granted after months of due diligence, examination of the Digislide’s products, and a comprehensive review of Executive Management, technologies, and global marketing strategies.

The EF will afford Digislide with the following benefits:

- Facilitate the ramp up of manufacturing of a unique range of products for global markets.
- Accelerate additional R&D, including partnering for embedded technologies.
- Fund tooling and technical equipment acquisitions.
- Fund the development of future strategic distribution networks and alliances, for mass market expansion in dynamic new market regions.
- Provide working capital from time to time to assist with the Company’s expansion.
- Fund the ongoing investment in the company’s intellectual property including the development, renewal, and protection of registered designs, patents, and trade marks.
- Expanding Digislide’s R&D facility to include Clean Technology capabilities.



### **EF Structure, New aligned equity participation**

Following shareholder approval and upon execution of the EF agreement, Digislide will issue to GEM 11 million options with 5 million exercisable at a price of 0.50c and 6 million exercisable at a price of \$1.00. These options expire 3 years from the date of ratification by shareholders. These options are well in advance of DGI's current share price of 34 cents.

Digislide will activate any drawdown of the EF. A subsequent Drawdown Notice will trigger the calculation of the available equity. This is based upon a combination of trading volume and closing share price during a 10-15 days pricing period. The closing price is then determined and the equity is priced at 90% of that closing price. Following the calculation of the equity that can be drawn down, new shares will be issued. The Company is committed to the payment of a fee of 1.5% of the EF within 12 months of execution of the agreement and this may be taken in cash or equity as the Digislide Board determines.

The EF addresses the Company's medium term funding issues associated with the accelerating growth potential currently confronting the Company.

### **About Digislide**

Digislide is an Australian based company that has developed, and continues to develop globally relevant innovative miniaturised projection technologies with broad applications.

The tactical focus is on targeting products/applications that can be embedded into a range of mobile and/or hand held communication devices, such as mobile phones, PDA's and notebook computers. The technologies have wide patent protection and have already received international acclaim; winning several awards in important international technology arenas.

### **About GEM**

The GEM Group (Global Emerging Markets), comprising GEM Investment Advisors, Inc. and Global Emerging Markets Global Yield Fund Limited and their affiliates, was founded in 1991. It is a US\$ 3.4 billion alternative investment firm engaged in the management of a diverse set of investment tools centered on emerging markets all over the world. It is a UK-based fund management group with offices in London, New York, Paris and Hong Kong. The scope of GEM Group's activities and investment is both US domestic and international, across a broad spectrum of industries and transactional structures. The Group has completed more than 230 transactions representing investment in over 200 companies in 45 countries across the world.

With US\$3.4 billion under its immediate control, but with substantial undrawn facilities, GEM manages a diverse set of investments vehicles across the world. All of these are expected to deliver globally competitive solutions, above average growth metrics, supported by compelling industry fundamentals driven by committed shareholder return aligned executives and Boards.

The Digislide/GEM EF was managed and facilitated by The FMS Group ("FMS"). FMS has a strong track record in Australasia in providing innovative, focussed and committed capital and advice to companies with global markets, superior growth metrics, supported by quality management.

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Further information contact:

**DIGISLIDE**

**Hean Siew**

Company Secretary

m: 0432 654 331

email: [h.k.s@optusnet.com.au](mailto:h.k.s@optusnet.com.au)

[www.digislide.com.au](http://www.digislide.com.au)

**GEM/THE FMS GROUP**

**Alvin Donovan**

Executive Director

m: 0415 810 958