

ASX release

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2018 ANNUAL GENERAL MEETING – MANAGING DIRECTOR’S ADDRESS

The Managing Director’s address for the Desane Group Holdings Annual General Meeting being held on Friday, 2 November 2018:

Good morning ladies and gentlemen,

Last year, Desane celebrated 30 years as a publicly listed company. Over those years, Desane has had a track record of identifying value add property acquisitions which have generated annual profits and provided significant shareholder reward.

Despite ongoing legal headwinds relating to the acquisition of the Company’s Rozelle flagship asset and its impact on the FY18 results, Desane has delivered recurring earnings and net profit after tax for the full year.

Additionally due to the maintenance of a strong balance sheet, Desane rewarded its shareholders with a final fully franked dividend of **2.25 cps** on 26 October 2018. This takes the full year dividend for FY18 to 4.5 cps fully franked.

Over the past four (4) financial years, Desane has distributed approximately **\$14.7 million** to shareholders in fully franked dividends – a direct result of the completion of a number of key property and investment objectives including:

- Completion of the Easton Rozelle residential apartment project;
- Sale of the 7-9 Orion Road Lane Cove investment asset;
- Reduction of senior debt borrowings; and
- Property investment revaluation uplift.

In August 2018, Desane completed its fully underwritten 1 for 10 non-renounceable pro rata rights issue at an issue price of \$1.05 per new share, raising a total of approximately \$3.9 million before costs.

The rights issue was strongly supported with a 93% take-up from existing shareholders.

This was a strong endorsement of the Company’s strategy of focusing on investors and shareholders over the past years.

On behalf of the Board and management of Desane, I wish to thank shareholders for their continued support during the capital raising.

The additional funds raised following the rights issue will further improve Desane's already strong balance sheet but also provide the Company the opportunity to focus on its mix of future development and growth opportunities as well as capital management strategies that best enable Desane to take advantage of the expected shift in property investment conditions during the next economic cycle.

For further information, please visit www.desane.com.au or please contact:

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ABOUT DESANE:

Desane Group Holdings Limited is a property investment and development business based in Sydney, with expertise in property acquisitions, investment, management, leasing, sales and development of industrial, commercial and residential properties. Desane has a disciplined “add value” property acquisition approach, which will deliver maximum shareholder value in the medium to long term.