


DESANE
GROUP HOLDINGS LIMITED

ANNUAL GENERAL MEETING

2 NOVEMBER 2018



AGENDA

Chairman's address

Formal proceedings

CEO & Managing Director's address

Questions

CHAIRMAN'S ADDRESS



Professor John Sheehan AM, Chairman



FORMAL PROCEEDINGS

ASK

SUMMARY

Total number of ASX-listed Desane Group Holdings Limited shares is 40,909,990

DESANE GROUP HOLDINGS LIMITED

Proxies Resolutions

Item 1: Consideration of Financial Statement and Reports

Item 2: Adoption of Remuneration Report

Item 3: Re-election of Rick Montrone

FOR	OPEN	AGAINST	ABSTAIN
N/A	N/A	N/A	N/A
12,781,036 66%	6,545,320 34%	27,140 0%	- 0%
27,934,534 81%	6,545,320 19%	- 0%	- 0%

CEO & MANAGING DIRECTOR'S ADDRESS



Phil Montrone OAM, CEO & Managing Director

BALANCE SHEET

Post Completion of Lilyfield Road, Rozelle Asset Sale:



¹ Desane has a 70% interest in the Rozelle joint venture

CAPITAL MANAGEMENT

Following 1:10 Rights Issue in August 2018:

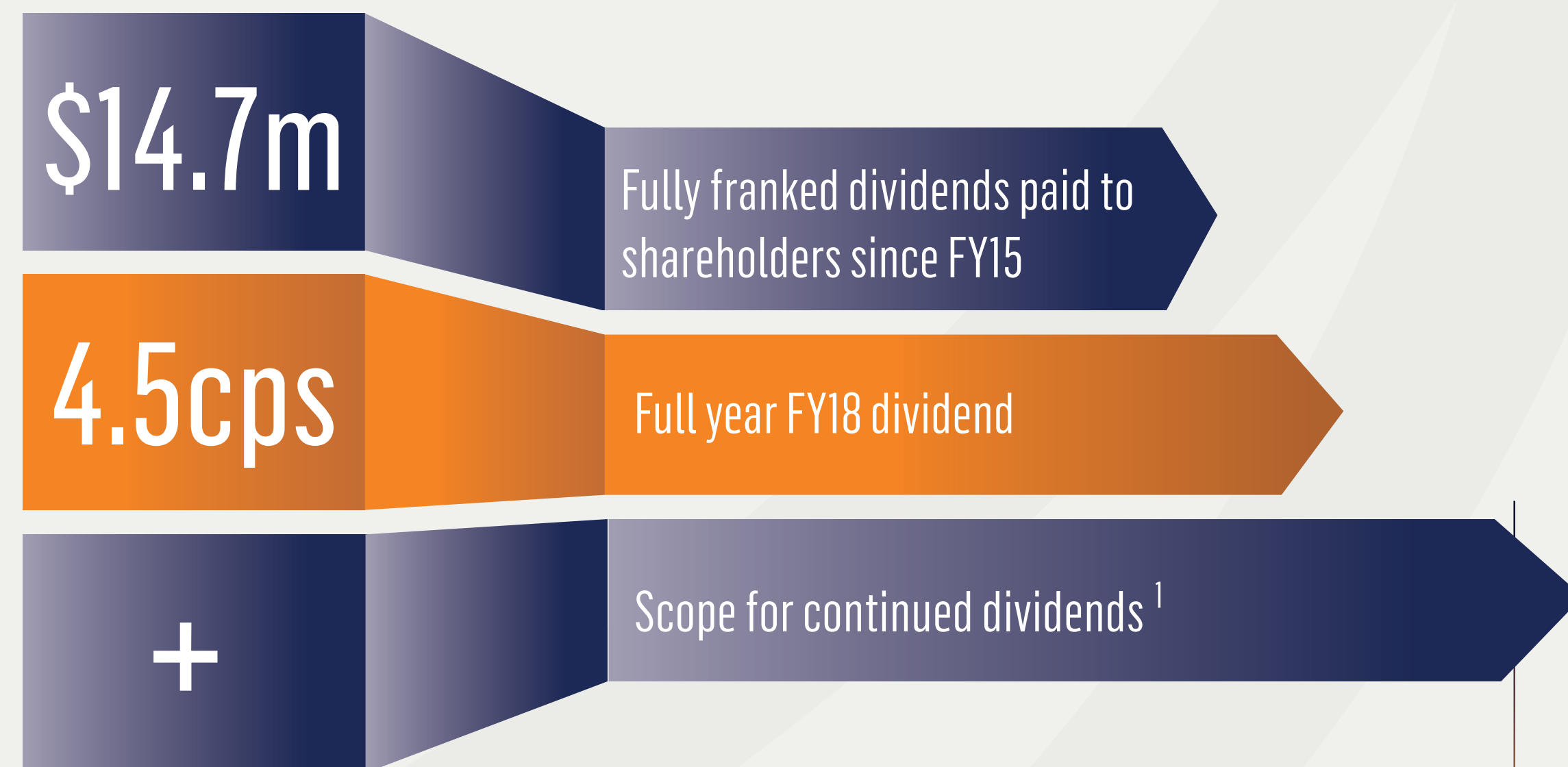
Fully underwritten
by
Taylor Collison
Limited

Strong shareholder
support
(93% take-up)

Scope for similar
in future

DIVIDEND

	FY18	FY17	FY16
Interim Dividend	2.25c	2.25c	2.25c
Special Dividend	-	10.00c	-
Final Dividend	2.25c	2.25c	2.25c
Total Dividend	4.50c	14.50c	4.50c
Franking	100%	100%	100%



¹ Subject to capital management strategy

OPERATIONS



Rick Montrone Head of Property

68-72 LILYFIELD ROAD ROZELLE

- Sale to RMS for \$78.0m plus GST represents fair market value
- Settlement 5th November 2018
- Reciprocal releases from present and future claims related to Supreme Court and NSW Court of Appeal proceedings
- First right to re-purchase the Property "at market" if offered by RMS for re-sale
- CGT rollover concession available

159 ALLEN STREET LEICHHARDT

- › Exchanged in April 2018 for \$21.0m
- › De-risked through extended settlement terms (October 2019)
- › Zoned R1 General Residential under 2015 Allen Street Leichhardt Master Plan
- › DA lodged with Council in October 2018
- › Strategically located within proximity of Sydney CBD

91 THORNTON DRIVE PENRITH

- Planning Context: Metropolis of Three Cities, new Western Sydney Airport, Nepean Hospital upgrade
- Initial discussions with Council positive
- Concept vision includes 250+ apartments plus small retail
- Ongoing correspondence with Infrastructure NSW and DPE relating to Hawkesbury Nepean
- Rezoning could add approximately 50 cps to current NTA¹

¹ Based on improved land value pre-tax following rezoning.

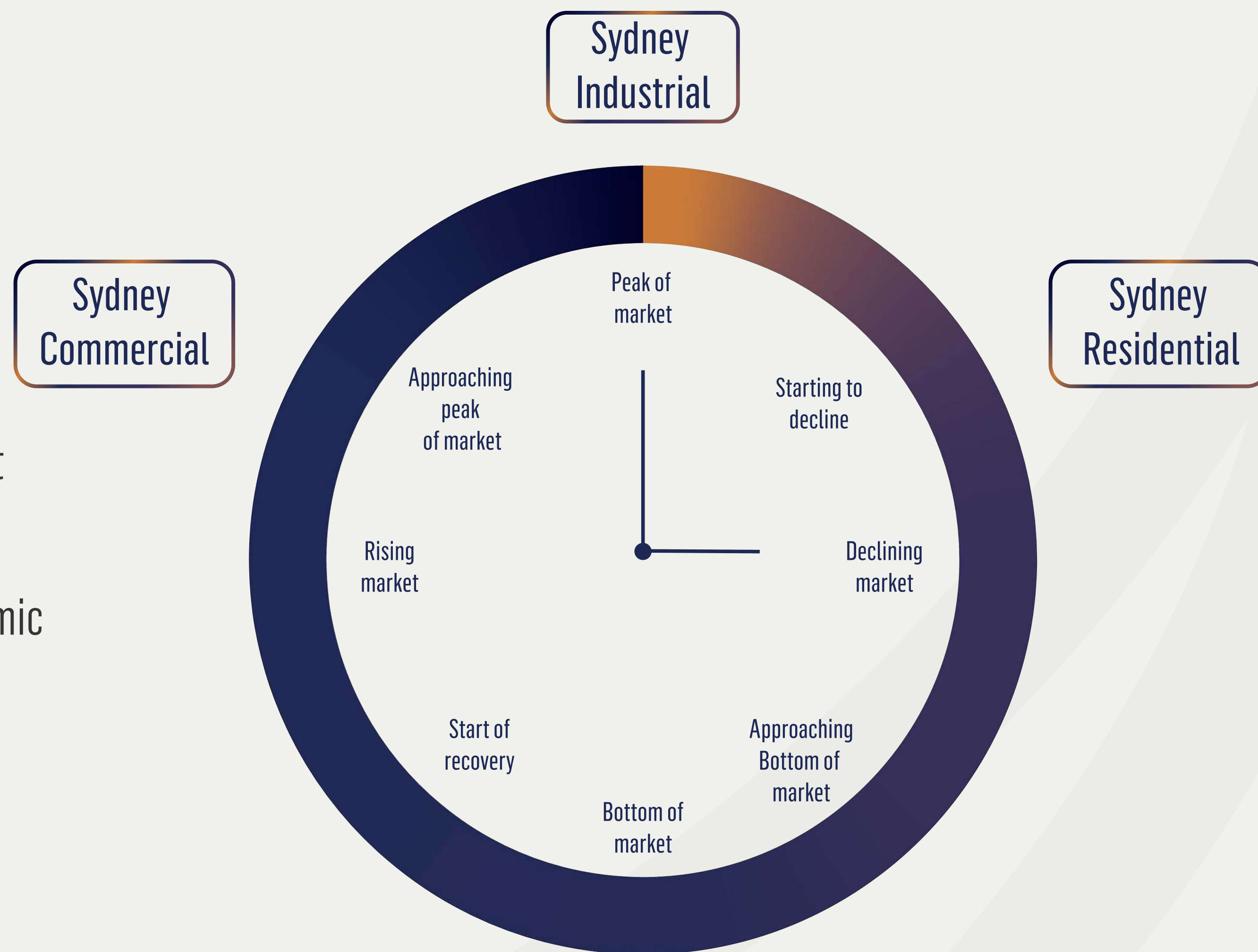
7 & 13 SIRIUS ROAD LANE COVE

- 2 x mature industrial / commercial assets comprising approximately 5,000m² + NLA
- Lane Cove a secondary market but tightening
- Yield compression and strong rental has increased the valuation of the properties by over 300% since acquisition

PROPERTY CLOCK

- Property values across all classes of assets in Sydney are close to peak or starting to decline
- Still good returns to be made – if you get the timing right
- Land constraints, planning constraints, infrastructure spending and population rise underpin long term economic considerations
- The key as always will be:

- ✓ buy sites well
- ✓ develop into the upswing



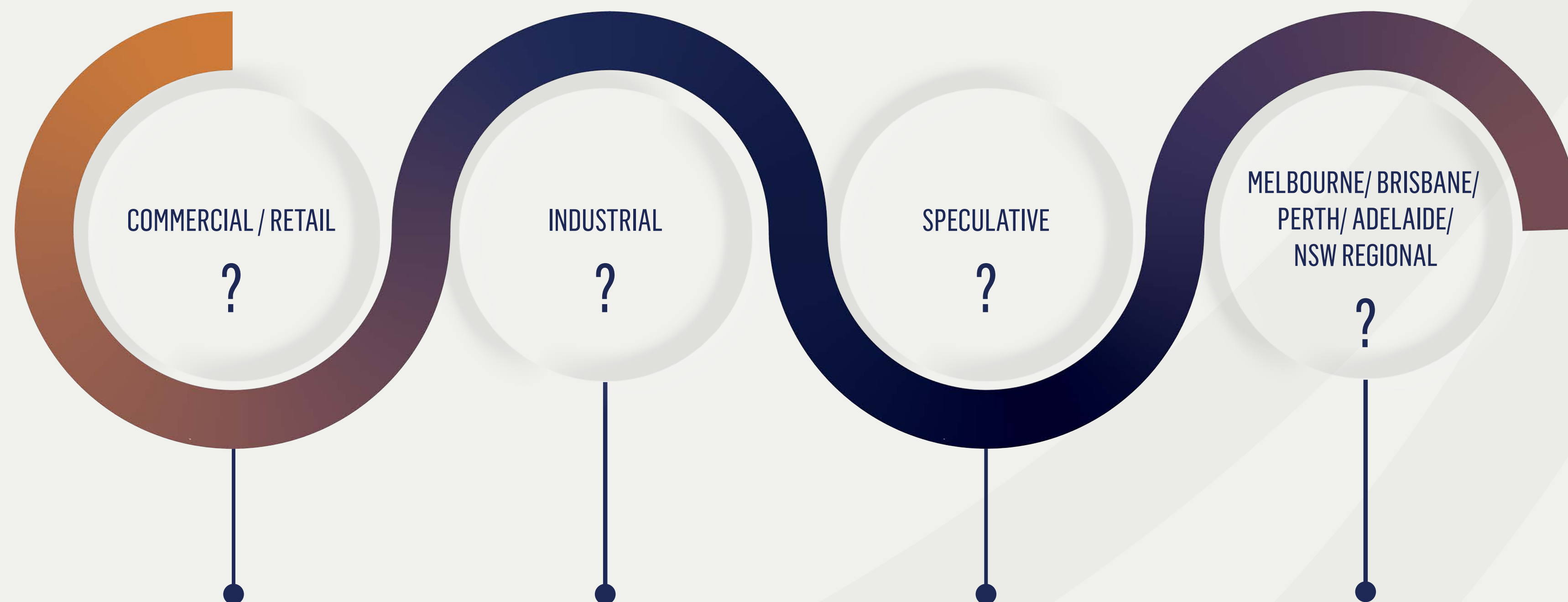
WHAT NEXT?

“It’s **pointless** parking money under the **mattress** and waiting.
Look for **the best** returns from the **available investment choices**”

Frank Gelber- The Australian, 4th October 2018

Now more than ever, Desane will focus on its strengths:

- ✓ Long-term
- ✓ Patience
- ✓ Counter cyclical
- ✓ Portfolio diversity



REVIEW & GUIDANCE



Completion of capital raising



Purchase of Allen Street



Sale of Lilyfield Road Rozelle to RMS



End of legal headwinds



Thornton Penrith planning in progress



Positive inflows to FY19 cash, earnings and balance sheet



Focus for FY19:

- earnings growth
- capital management
- **shareholders**

QUESTIONS

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