

ASX and Media release

7 May 2015

SPECIAL DIVIDEND OF 15 CENTS PER SHARE

The Board of Desane Group Holdings Limited ("**Desane**") is pleased to announce that it has declared a **special fully franked dividend of 15 cents per share ("Special Dividend")**.

The Special Dividend is possible due to the strong financial position of the Company. This Special Dividend follows on from the Board's implementation of a Dividend Policy with the intention to pay both interim and final fully franked dividends.

The Board believes that the special dividend is in the best interests of shareholders as it will distribute retained earnings to Desane shareholders, including profits from the sale of the Company's interest in the \$40.0m Lane Cove residential development.

The **Record Date** for the Special Dividend is **Monday, 15 June 2015** and the **Special Dividend** will be paid on **Tuesday, 30 June 2015**. The Special Dividend represents a distribution of retained earnings of approximately **\$4.5m** in total.

This Special Dividend is independent of any dividend that may be recommended to shareholders for the financial year ended 30 June 2015.

In addition, the Board has resolved to implement the **Desane Dividend Reinvestment Plan ("DRP")** which will apply to the Special Dividend. The DRP provides eligible shareholders (shareholders with a registered address in Australia or New Zealand only) with the opportunity to reinvest all or part of their Special Dividend entitlement in Desane shares, free of any transaction costs. Shareholders will receive shortly an Information Booklet with a copy of the DRP Rules and a DRP Election form.

In accordance with the DRP Rules, the Board has determined that any shares issued pursuant to the DRP will be issued at the volume weighted average market price of Desane shares during the five trading days subsequent to and inclusive of the ex-dividend date (see table below). The issue price of shares under the DRP will also be subject to a price cap of \$0.75.

The DRP will be underwritten by Taylor Collison Limited stockbrokers up to \$2.7m. The purpose of the underwriting is to ensure the Company is able to capitalise on future investment opportunities.

The timetable for the Special Dividend is as follows:

Ex-dividend trading commences	Thursday, 11 June 2015
Record Date for Special Dividend	Monday, 15 June 2015
Last date for receipt of DRP Election Forms for the Special Dividend	Wednesday, 17 June 2015
Payment date and issue of shareholding statements	Tuesday, 30 June 2015

The Board encourages shareholders to read carefully the Information Booklet in full and to consult their professional taxation and financial adviser if they are in doubt about the Special Dividend or the DRP.

If shareholders wish to participate in the DRP with respect to the Special Dividend, they must complete the DRP Election form (which will be enclosed with the Information Booklet) according to the instructions on the form and return it to the share registry.

The DRP Election form must be received at the share registry on or before 5.00 pm on the DRP Election Date of Wednesday, 17 June 2015.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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