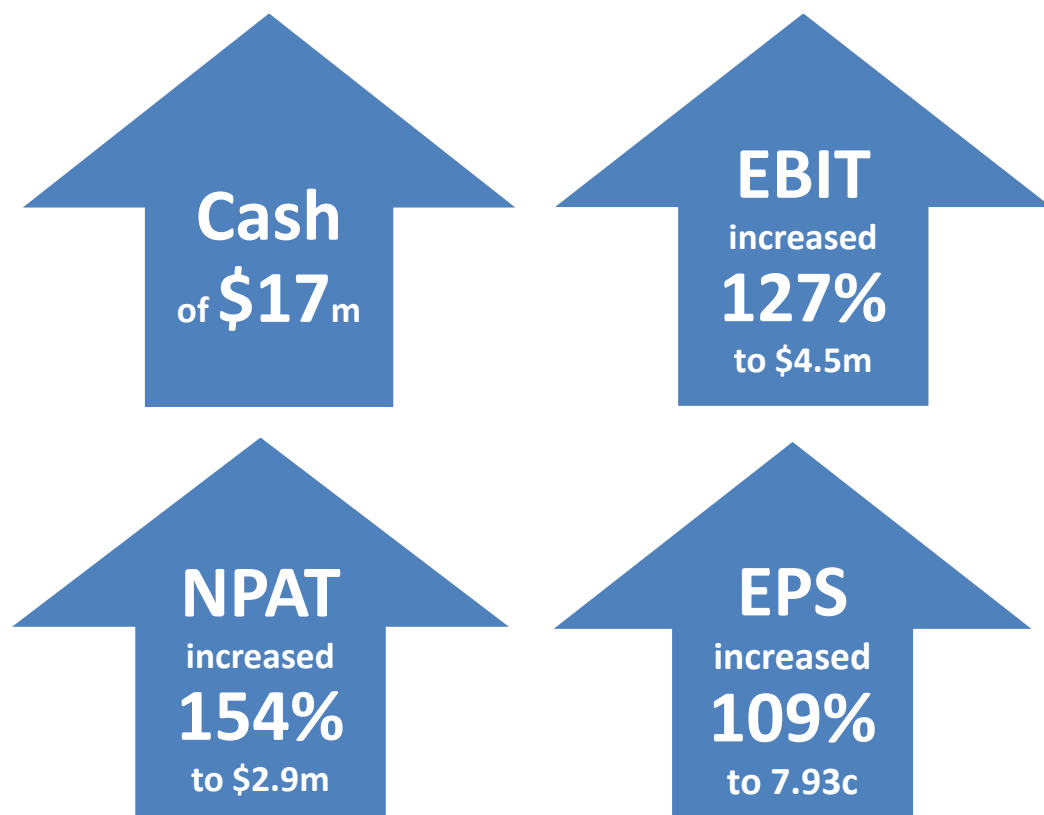


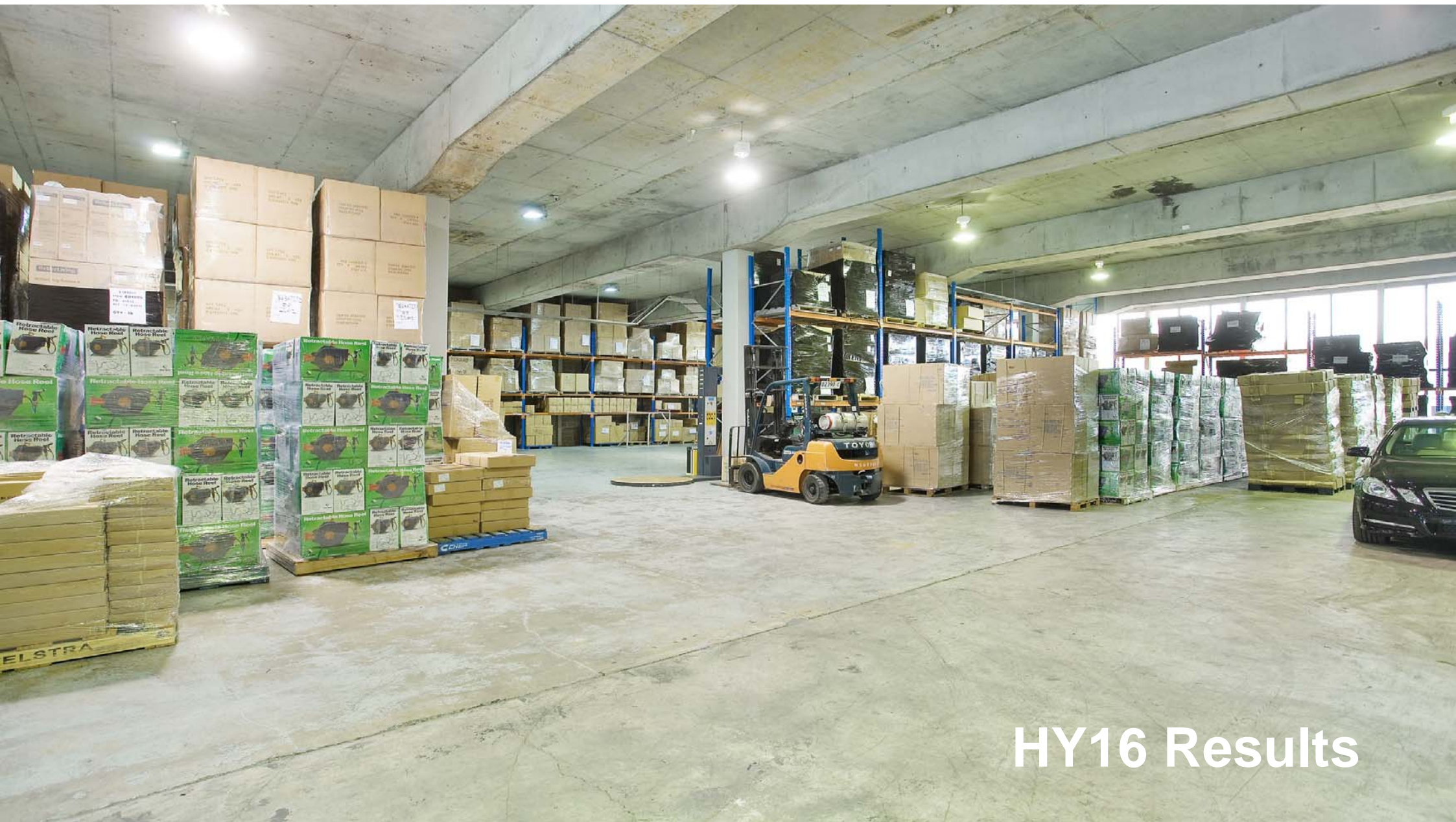


HY16 Results Presentation

HY16 Result Highlights



- Completion and realisation of **Easton Rozelle** generating \$27.8m in gross sales revenue
- 29% reduction in Group debt to \$16.6m
- 12.5% increase of interim fully franked dividend to 2.25c



HY16 Results

HY16 Results

Improved profit driven by realisation of Easton Rozelle

OPERATING RESULTS	1H16	1H15
Development ¹	\$3.9m	\$0.9m
Investment	\$0.6m	\$1.1m
EBIT	\$4.5m	\$2.0m
NPAT	\$2.9m	\$1.1m
EPS	7.93c	3.79c




¹ Development net profit in 1H16 and Development revaluation in 1H15

Strong balance sheet

SUMMARY	as at 31 Dec 15	as at 30 Jun 15
Cash	\$16.7m	\$4.7m
Net Debt ¹	Nil	\$21.6m
Net Assets	\$29.0m	\$26.7m
NTA per share	80c	74c

¹ Net debt includes investment & development facilities + other interest bearing liabilities less cash held

HY16 Profit Summary

	1H16	1H15	% change ¹	
Revenue				
Property development sales	\$25.6m	Nil		
Rental income	\$1.1m	\$1.1m		
Project & property management	\$0.2m	\$0.4m		
Property revaluations (net gain)	Nil	\$0.9m		
Other	Nil	\$0.1m		
Total Revenue	\$26.9m	\$2.5m		
Property development cost base	(\$21.7m)	Nil		
Expenses	(\$0.7m)	(\$0.5m)		
EBIT	\$4.5m	\$2.0m		127%
NPBT	\$4.2m	\$1.6m		164%
NPAT	\$2.9m	\$1.1m		154%

¹ all figures based on 31 December 2015 Half Year audited financial report

HY16 Balance Sheet Summary

	as at 31 Dec 15	as at 30 Jun 15
Assets		
Cash	\$16.7m	\$4.7m
Development properties held for sale	\$2.5m	\$20.6m
Investment properties	\$32.6m	\$32.6m
Other assets	\$1.1m	\$3.1m
TOTAL ASSETS	\$52.9m	\$61.0m
Liabilities		
Interest bearing loans	\$16.6m	\$26.3m
Deferred tax liabilities	\$3.5m	\$2.5m
Other liabilities	\$3.8m	\$5.5m
TOTAL LIABILITIES	\$23.9m	\$34.3m
NET ASSETS	\$29.0m	\$26.7m
NTA per share	80c	74c

HY16 Debt Summary

Reduction in Group Debt	as at 31 Dec 15	as at 30 Jun 15
Investment facilities	\$16.7m	\$19.6m
Development facilities ¹	Nil	\$6.7m
Total facilities	\$16.7m	\$26.3m
Cash	\$16.7m	\$4.7m
Net Debt	Nil	\$21.6m
Gearing ²	37%	49%
LVR ³	48%	50%

¹ Total development facility was repaid in full in December 2015

² Gearing is calculated as (interest bearing liabilities)/(interest bearing liabilities + net assets))

³ Loan covenant requires ICR of 1.5x and 65% LVR

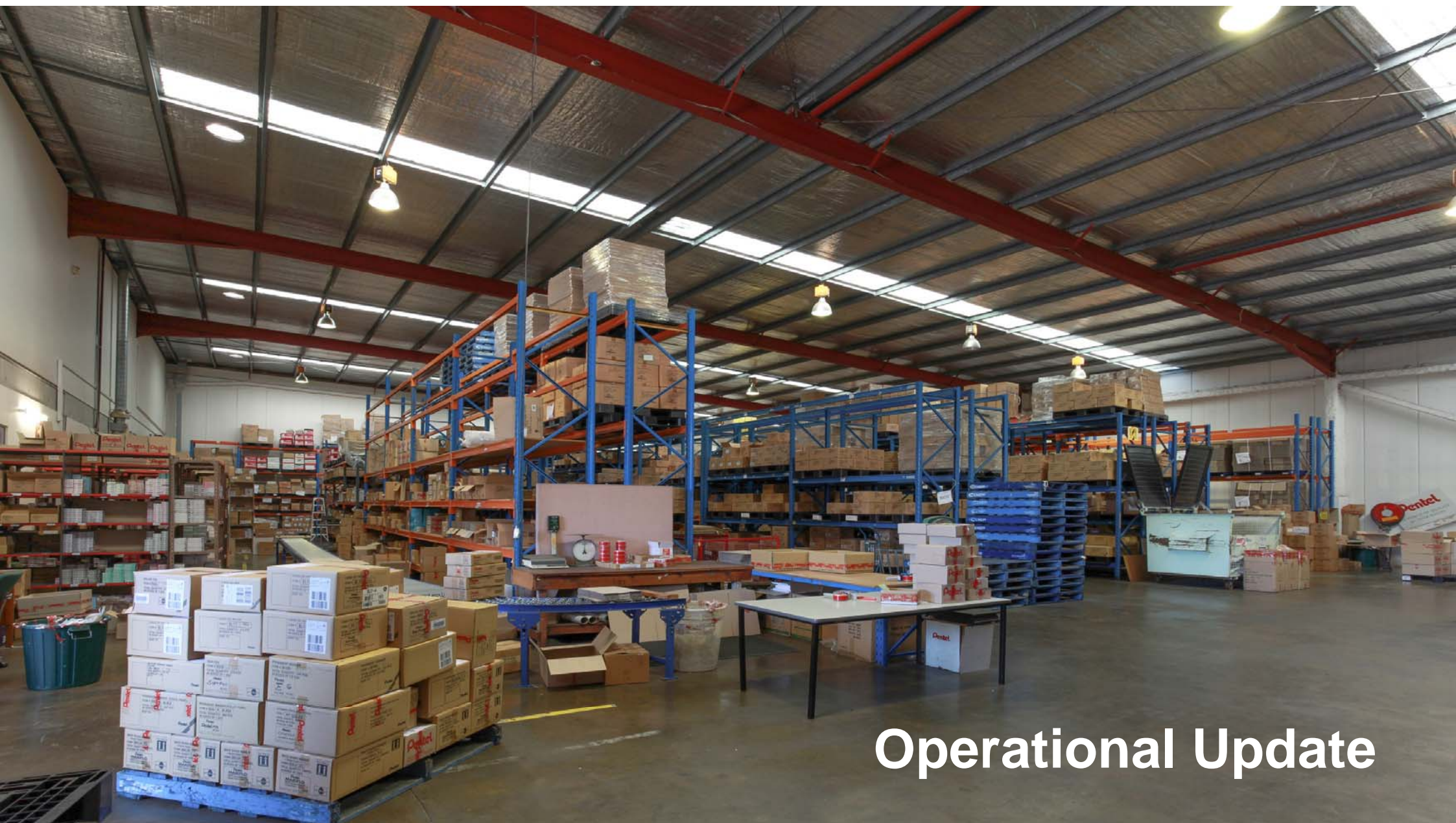
Dividends

Interim dividend up 12.5%

Dividend	Amount	Franking %	Payment Date
HY16 interim	2.25c ¹	100%	March 2016 ²
FY15 final	2.00c	100%	November 2015
Special dividend	15.00c	100%	June 2015
HY15 interim	2.00c	100%	March 2015

¹ Interim dividend declared and payable on 31 March 2016

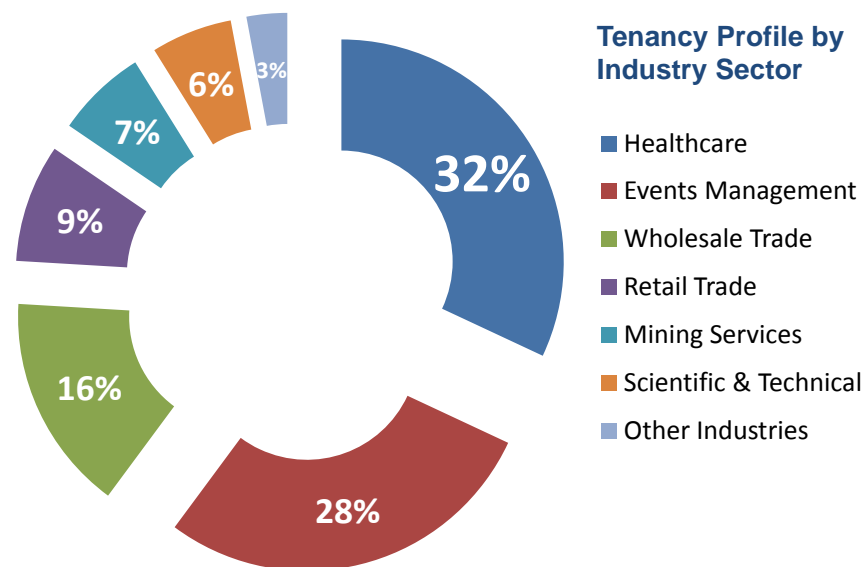
² \$0.8m franking credits available post HY16 interim dividend payment



Operational Update

Investment Portfolio Summary

Active asset management resulting in 100% occupancy



“Desane has positioned itself as a market leader in leasing to the Medical and Healthcare service industry – an industry that seeks long term lease covenants to secure capital outlay on building establishment costs”

Portfolio Results





HY16

Portfolio value	\$32.6m
Year on Year NOI growth ¹	12.0%
Occupancy	100%
WACR	7.5%
WALE	2.5 ²

¹ Net operating income (NOI) reflects income after operating expenses are deducted but before income tax and interest

² WALE average by income and years

Portfolio Details

Property	State	Ownership	Cap rate	NLA (m ²)	Occupancy	WALE (yrs)	
7 Sirius Rd Lane Cove	NSW	100%	7.75%	2,778	100%	4.8	
13 Sirius Rd Lane Cove	NSW	100%	7.75%	2,181	100%	3.1	
7-9 Orion Rd Lane Cove	NSW	100%	7.85%	5,766	100%	3.4	
68-72 Lilyfield Rd Rozelle	NSW	70%	6.50%	5,494	100%	0.5 ¹	

¹ Negotiations to extend the existing lease are progressing with the major tenant

Developments

- Completion and realisation of **\$27.8m** gross sales revenue from **Easton Rozelle** to HY16
- An additional **\$3.6m** gross sales revenue to be realised in FY16
- Development facility repaid in full
- The realisation of this project has generated significant cash returns supporting Desane's increasing value as an “**add value**” property developer and owner



Outlook and Objectives

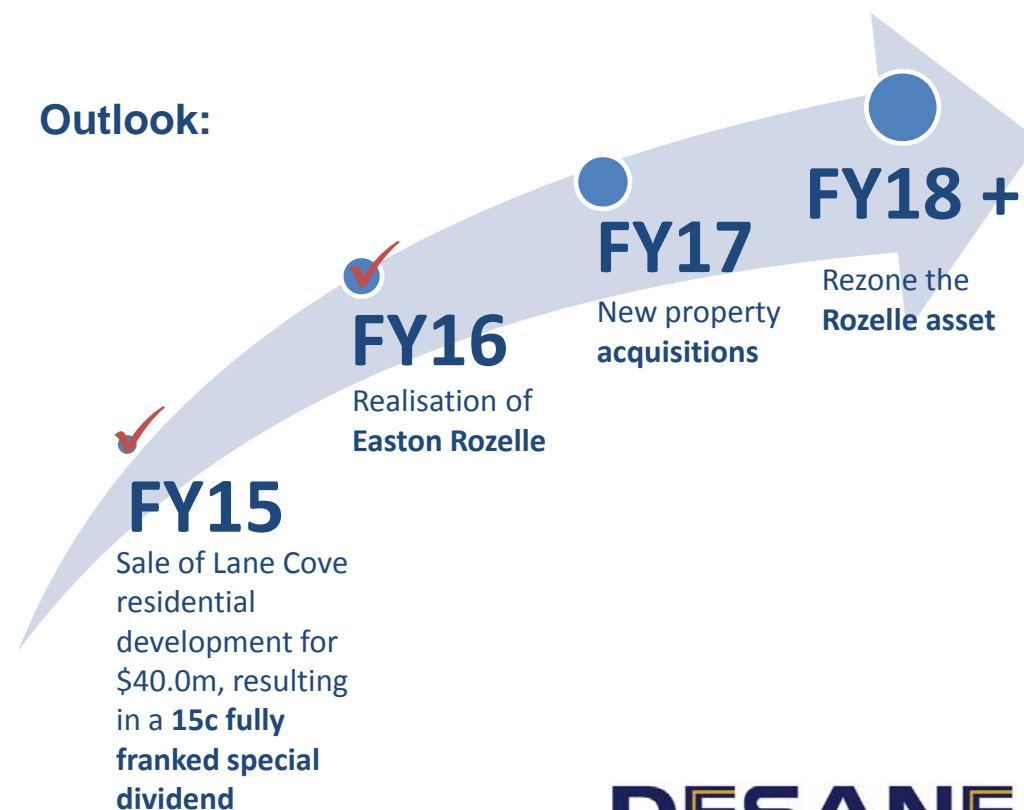


Outlook and Objectives

Key objectives:

- Increase NTA and reward shareholders with continued **fully franked dividends**
- Pursue new commercial, industrial and residential opportunities in metropolitan Sydney
- Rezone the Rozelle asset to highest and best use
- Maintain gearing discipline
- Asset manage existing lease and tenancy profile with a view to “**add value**” where appropriate

Outlook:



Management Team



Phil Montrone OAM
Managing Director

Phil has served as Managing Director since the Company's incorporation. He has over 30 years' experience in asset management, property investment and property acquisitions, having developed many strong relationships and networks within the commercial, industrial and residential property and development sectors.

Phil is currently serving as an Advisory Board Member of Multicultural NSW and as a Board Member of the Geographical Names Board of NSW.



Jack Sciara
Chief Financial Officer

Jack joined Desane in 2001 and has over 20 years' experience in corporate financial reporting, accounting and taxation.

His role in Desane covers all aspects of financial control and capital management, including developing tax strategies for the Group, investor relations, ASX compliance, corporate governance, reporting financial results to the market and managing debt financing and equity raising for the Group.



Rick Montrone
Head of Property

Rick is an Executive Director and the Company's Head of Property with more than 13 years' experience in the property services industry.

Rick is responsible for managing all aspects of the Company's property assets including planning and strategy, debt and equity raising, acquisitions and divestments, due diligence as well as the operations of the asset portfolio such as leasing, property management and reporting on the investment portfolio.

Board



Prof. John Sheehan
Chairman

John is a practising Chartered Town Planner and Registered Property Valuer and specialises in compulsory acquisition compensation advice, assessment and expert evidence.

John currently chairs the Australian Property Institute's Joint NSW & QLD Carbon Property Rights Committee and the Water Property Rights Committee. He is also the Institute's representative on the Environmental Planning & Development Committee of the Law Society of NSW.

John has served as Desane's Chairman since 1992 and as a non-executive Director since 1987.



John Bartholomew
**Non-executive Director &
Company Secretary**

John joined Desane in 1989 as Financial Controller and Company Secretary.

On 24 May 2010, he was appointed as a Non-executive Director.

His role since 1989 incorporates management roles in property development, property management and financial management of the Group.

John is a member of the CPA.

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