

3 November 2010

The Manager Companies  
Australian Stock Exchange (Sydney) Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## Shareholders Presentation at 2010 AGM

Please find attached a copy of the Desane Group Holdings Limited shareholders presentation made at the Annual General Meeting held today.

Yours faithfully,  
**DESANE GROUP HOLDINGS LIMITED**



**JOHN BARTHOLOMEW**  
**Company Secretary**

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### ***ABOUT DESANE:***

*Desane Group Holdings Limited is a significant Sydney based landlord. The areas we specialise in are property investment, property services and property management. Desane owns \$43.7 million of properties and other assets and manages a further \$21.3 million of industrial and commercial properties in the Sydney region. Our medium term objective is to continue to grow the Group's property assets.*

An aerial photograph of a city, likely New York City, showing a large body of water with many boats in a marina. The city skyline is visible in the background. The text 'DESANE GROUP HOLDINGS LIMITED' is overlaid on the image in a bold, blue, sans-serif font. The letters 'E' in 'DESANE' and 'LIMITED' are stylized with a yellow outline. A small blue square is located at the end of the word 'LIMITED'.

# DESANE

GROUP HOLDINGS LIMITED

ANNUAL GENERAL MEETING  
WEDNESDAY 3<sup>rd</sup> NOVEMBER 2010

# 2010 CHAIRMAN'S HIGHLIGHTS

- Notwithstanding the continuing albeit muted impact of the global financial crisis (GFC) on Australia's economic outlook, investment in property in certain sectors has clearly strengthened over the past 12 months.
- The Group's asset value has remained steady in the 2010 financial year.
- The Group's operating profit, after tax, has increased significantly this financial year and the Directors have therefore decided to recommend a dividend of 2 cents per share (unfranked).
- There is growing evidence that investment funds are now being rebalanced towards a greater level of involvement in the property sector. The impact of growing supply constraint, especially in retail, commercial and industrial property sectors, indicates that property values have been rather more robust than originally anticipated.
- The commercial and industrial properties held by the Group remain fully let and are well sought after by prospective tenants.
- The Group's management has been diligent in negotiating with Australian major banks an overall reduction of interest costs and extending the overall loan terms. This has resulted in significant interest savings in the Group's borrowing costs.
- In February 2010, the 12,000m<sup>2</sup> industrial waterfront complex, located in the Sydney suburb of Lane Cove, which is 50% owned by Desane, was officially rezoned by the NSW Department of Planning to High Density Residential R4. This property has been earmarked to be sold during the course of the 2011 financial year. The successful sale of this property should result in an increase in net tangible assets for the Group.
- Your Board remains confident that the Group's continuing strategies will result in good asset growth in the 2010/2011 financial year, as the property market continues to firm.

JOHN SHEEHAN

# SHAREHOLDER RESOLUTIONS

TO LAY BEFORE THE 2010 ANNUAL GENERAL MEETING:

1. To adopt the financial and other reports
2. To declare a final dividend of 2 cents per share (unfranked)
3. To re-elect John Bartholomew as a Director
4. To approve directors' remuneration (non-binding resolution)

# ANNUAL GENERAL MEETING



Presentation & Company Highlights  
3rd November 2010

Mr. Phil Montrone  
Managing Director & CEO

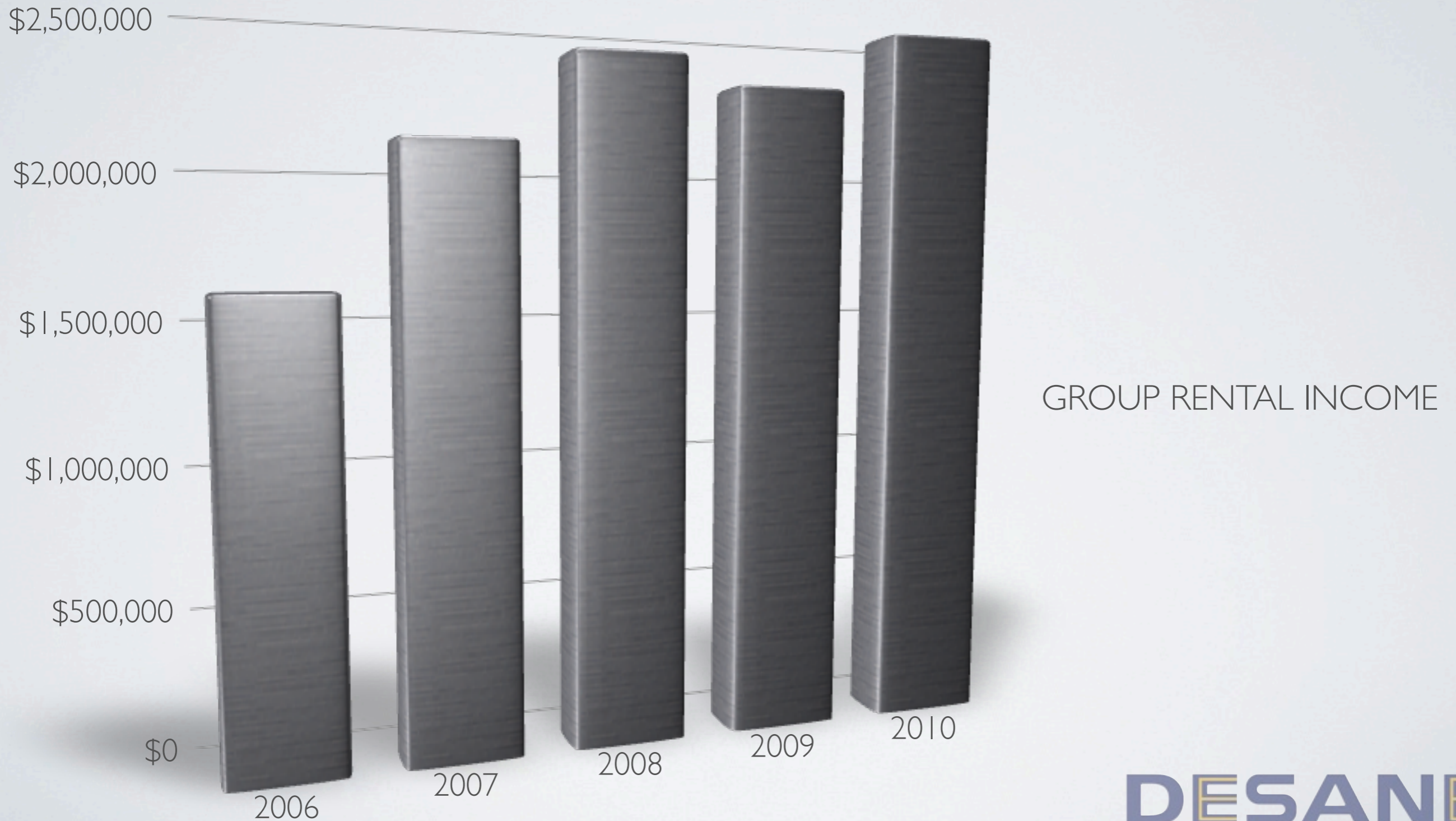
# HIGHLIGHTS FOR THE YEAR ENDED 30TH JUNE 2010

- All properties owned and managed by the Group are 100% leased
- Rental revenue has been maintained
- Liabilities decreased by \$2 million or 9%
- Financing and interest costs decreased by \$275,000 or 20%
- Long term bank borrowing program 100% completed
- Improved balance sheet position
- Net Tangible Assets increased by 3.9% to 81 cents per share
- 2 cents per share dividend recommended
- Acquired, upgraded and leased a 2,800m<sup>2</sup> industrial property in Lane Cove West
- Completed the sale of the Lidcombe J.G. Evans Business Centre
- Lodged a Development Application for an additional 1,000m<sup>2</sup> of commercial floor space for 47-51 Lilyfield Road, Rozelle
- Obtained rezoning approval for the 12,100m<sup>2</sup> water front Burns Bay Road, Lane Cove property from the NSW Department of Planning, for high rise residential development with 2:1 plot ratio
- Maintained simple business strategy
- Maintained focus on core business

# 2010 NET ASSET SUMMARY

| PROPERTY                             |           | FY10 ACTUAL     | FY09 ACTUAL     |
|--------------------------------------|-----------|-----------------|-----------------|
| 13 Sirius Rd                         | \$        | 4.4 M           | 4.2 M           |
| 7-9 Orion Rd                         | \$        | 8.8 M           | 9.5 M           |
| 68-72 Lilyfield Rd Multimedia Centre | \$        | 10.2 M          | 10.1 M          |
| 1-3 Nicholas St                      | \$        | -               | 1.7 M           |
| 318-332 Burns Bay Rd                 | \$        | 10.1 M          | 8.2 M           |
| 47-51 Lilyfield Rd Commercial Centre | \$        | 5.3 M           | 5.0 M           |
| 7 Sirius Rd                          | \$        | 1.1 M           | -               |
| Other Assets                         | \$        | 3.8 M           | 5.8 M           |
| <b>TOTAL ASSETS</b>                  | <b>\$</b> | <b>43.7 M</b>   | <b>44.5 M</b>   |
| <b>TOTAL LIABILITIES</b>             | <b>\$</b> | <b>20.5 M</b>   | <b>22.5 M</b>   |
| <b>NET ASSETS</b>                    | <b>\$</b> | <b>23.2 M</b>   | <b>22 M</b>     |
| <b>NTA PER SHARE</b>                 | <b>\$</b> | <b>81 CENTS</b> | <b>77 CENTS</b> |

# 5 YEARS' RENTAL INCOME



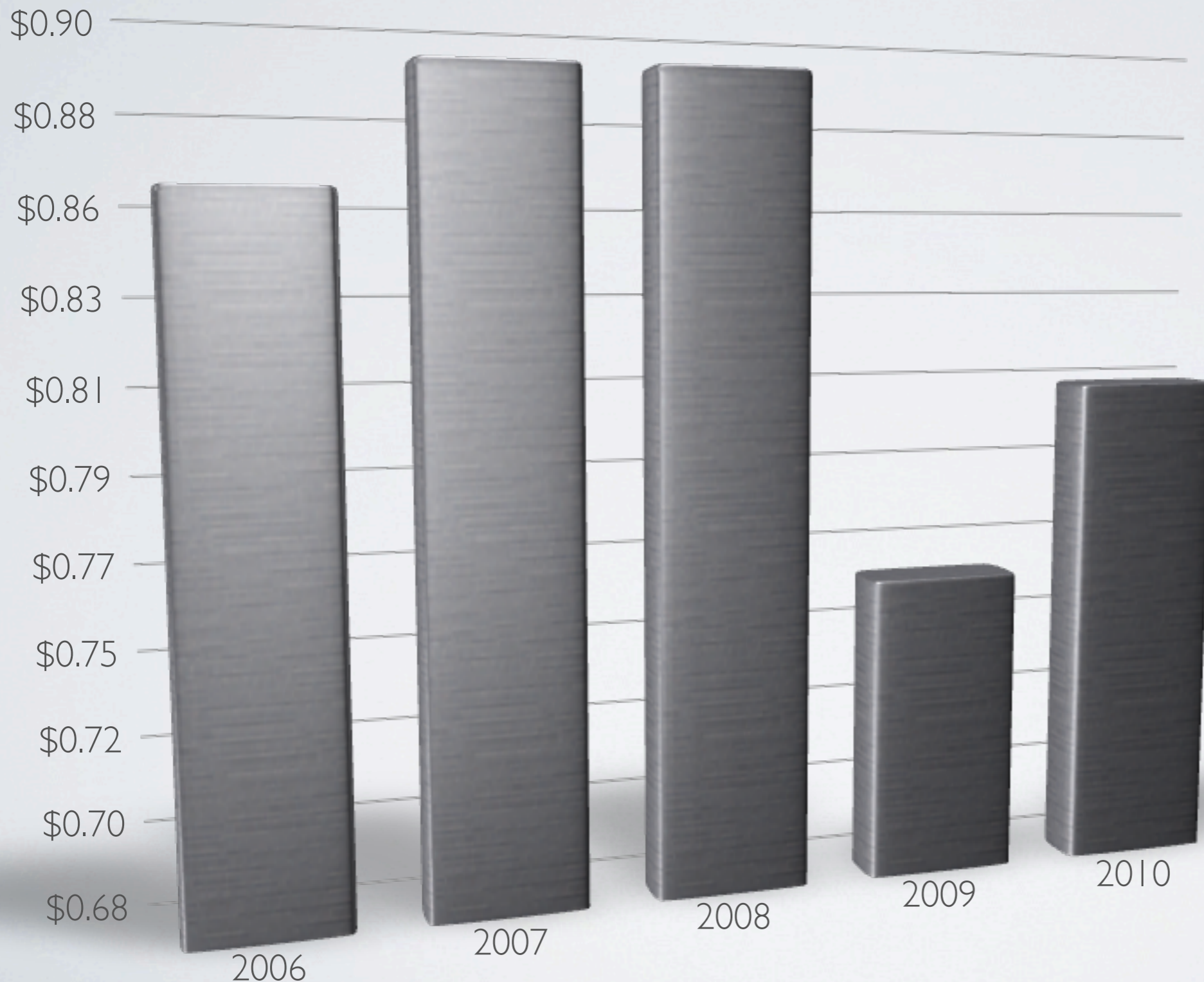


# 5 YEARS' NET ASSET VALUE

GROUP NET  
ASSET VALUE



# 5 YEARS' NTA



GROUP NTA  
PER SHARE

# 5 YEARS' DIVIDENDS

DIVIDENDS PAID TO  
SHAREHOLDERS



# SYDNEY PROPERTY PORTFOLIO

Desane's Rozelle Bay Precinct Multimedia & Commercial Centres





47-51 LILYFIELD RD, ROZELLE

Major Tenants:



# 47-51 LILYFIELD RD, ROZELLE

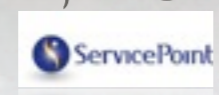


- Desane has planning approval from the relevant local government authority to construct a four storey 3,000m<sup>2</sup> mixed commercial/executive residential building, with 56 basement security car parking spaces
- Desane is seeking approval for an additional 1,000m<sup>2</sup> of office space thus increasing the total building area to 4,000m<sup>2</sup>
- Once a suitable tenant has pre-committed to lease the building, Desane will activate its Construction Certificate and progress to build
- The property is located 3 kilometres from the Sydney CBD, at the western exit of the Anzac Bridge, 100 metres from Victoria Road and the Lilyfield Light Rail Station, and directly across the road from Desane's existing multimedia centre
- The property is currently leased, on a short term basis, to Piranha Golf and Sydney Coach Charter



68-72 LILYFIELD RD, ROZELLE

Major Tenants:



# 68-72 LILYFIELD RD, ROZELLE



- The 8,000m<sup>2</sup> Multimedia Industrial Park, located 3 kilometres from the Sydney CBD, in the suburb of Rozelle, is fully leased to blue chip national tenants
- This property is performing well, being in a prime Sydney location
- The major tenant has extended their lease to January 2013
- The close proximity of the property to the Anzac Bridge and the Sydney Cross City Tunnel, linking the eastern suburbs to the inner western suburbs of Sydney, should ensure continuing strong capital improvements for this property
- A review of the permissible floor space ratio is currently being undertaken, with a view to seeking planning approval to increase the leaseable floor space from 6,000m<sup>2</sup> to 10,000m<sup>2</sup>
- Desane has a 70% joint venture interest in this property





7 Sirius Rd

7-9 Orion Rd

13 Sirius Rd

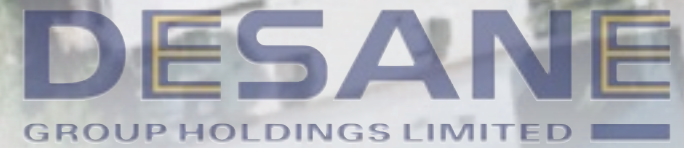
DESANE'S LANE COVE WEST PROPERTIES

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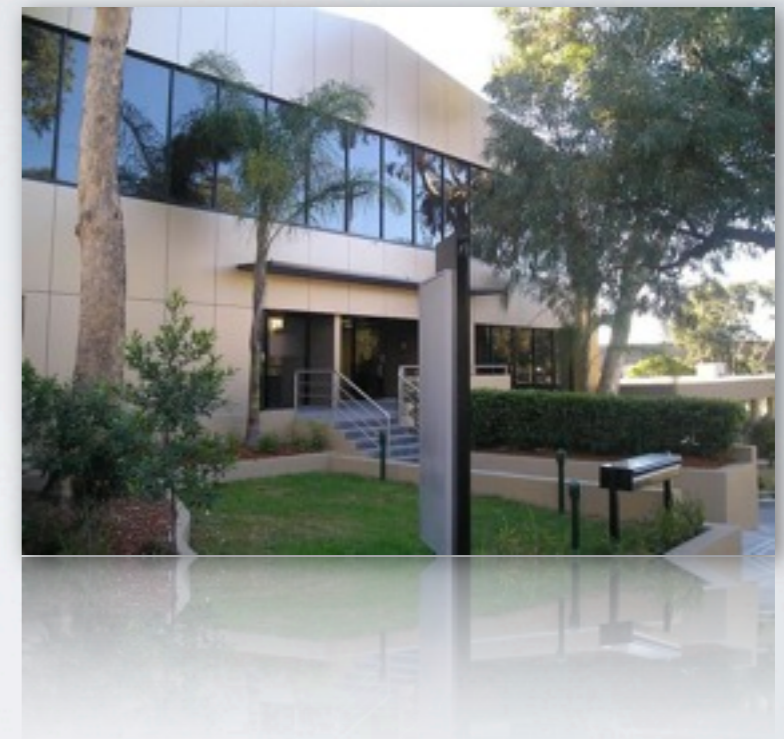


13 SIRIUS RD, LANE COVE WEST

Major Tenants:



# 13 SIRIUS RD, LANE COVE WEST



- This 2,400m<sup>2</sup> high-tech property is leased to two major Australian corporations on a long term basis
- The building is a two-level commercial property with 50 basement security parking spaces
- This property will continue to show significant rental increases and profit returns to the Group in future years



7-9 ORION RD, LANE COVE WEST

Major Tenants:



# 7-9 ORION RD, LANE COVE WEST



- This 8,000m<sup>2</sup> five unit industrial complex is occupied by six large Australian and international corporations, all with medium to long term leases
- This property is performing well and will continue to show significant rental increases and profit returns to the Company in future years



7 SIRIUS RD, LANE COVE WEST  
Major Tenants: 

**DESANE**  
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# 7 SIRIUS RD, LANE COVE WEST

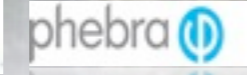


- This commercial/industrial property comprises 2,800m<sup>2</sup> of office and high clearance warehouse, with 38 on-site parking spaces.
- This property is occupied by a large quality tenant, on a long term lease
- Desane expects capital growth for this property in future years



318-322 BURNS BAY RD, LANE COVE WEST

Major Tenants:



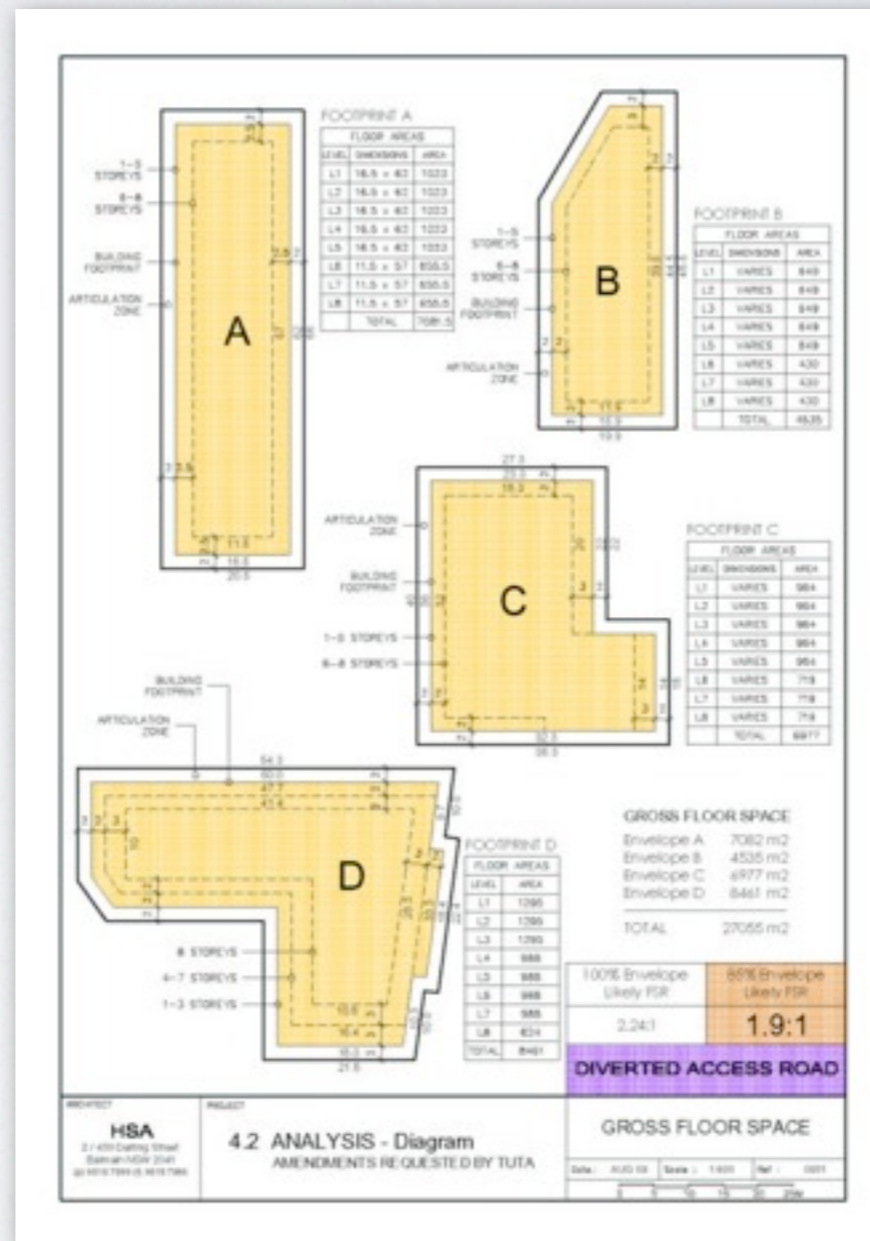
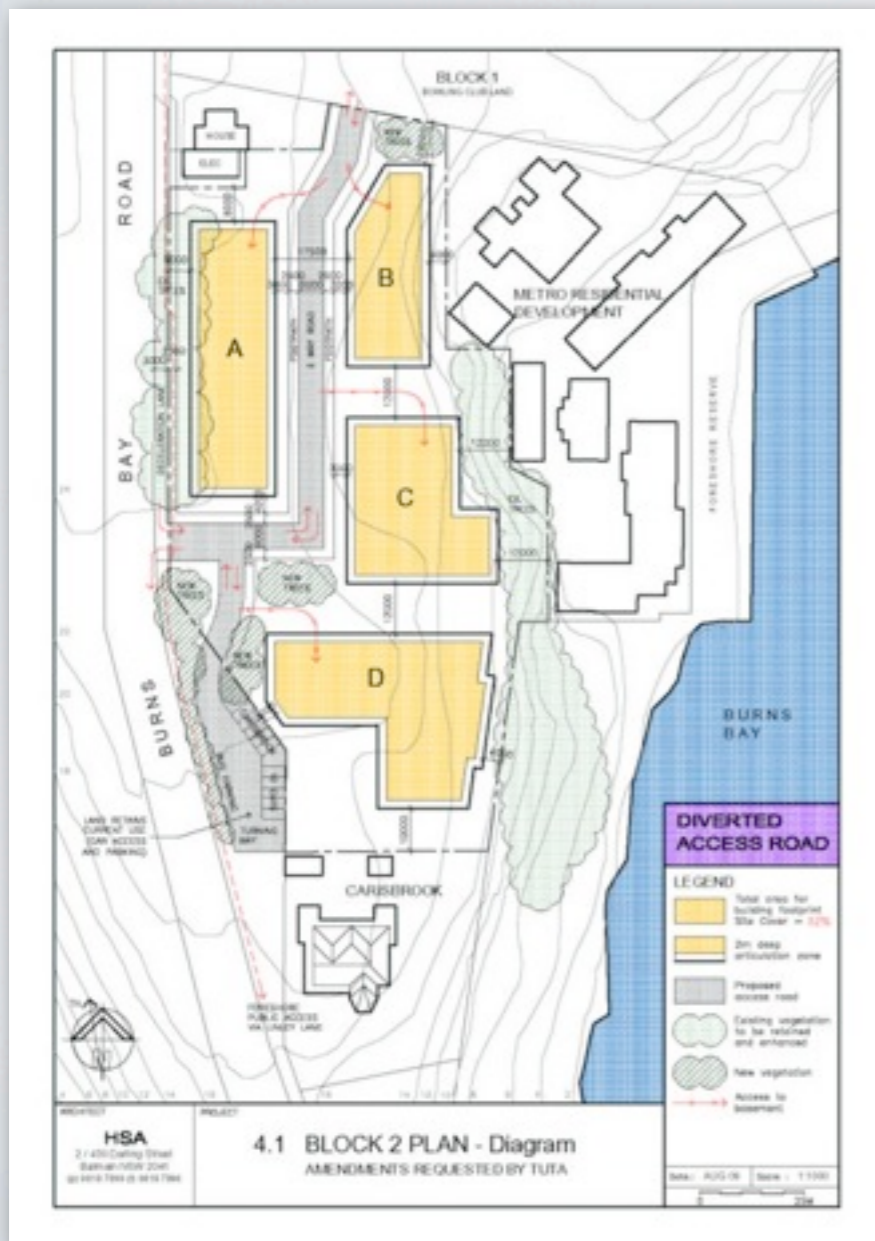


# 318-322 BURNS BAY RD, LANE COVE



- Rezoning approval has been obtained from the NSW Department of Planning
- The property has been approved for rezoning to High Density Residential R4 with a proposed floor space ratio of 2:1
- The rezoning allows for 250 to 300 apartments to be constructed, with an approx. building area of 25,000m<sup>2</sup>
- Sale program has commenced
- Desane believes that the target price of \$35 million to \$40 million is possible
- This property is composed of 12,000m<sup>2</sup> of land and includes approximately 8,000m<sup>2</sup> of industrial building
- The property is fully leased to Australian medical and technology companies
- Desane has a 50% interest in this property

# 318-322 BURNS BAY RD, LANE COVE PROPOSED RESIDENTIAL BLOCK PLAN



Approved Residential R4 Rezoning 25m high 8 storey buildings permissible



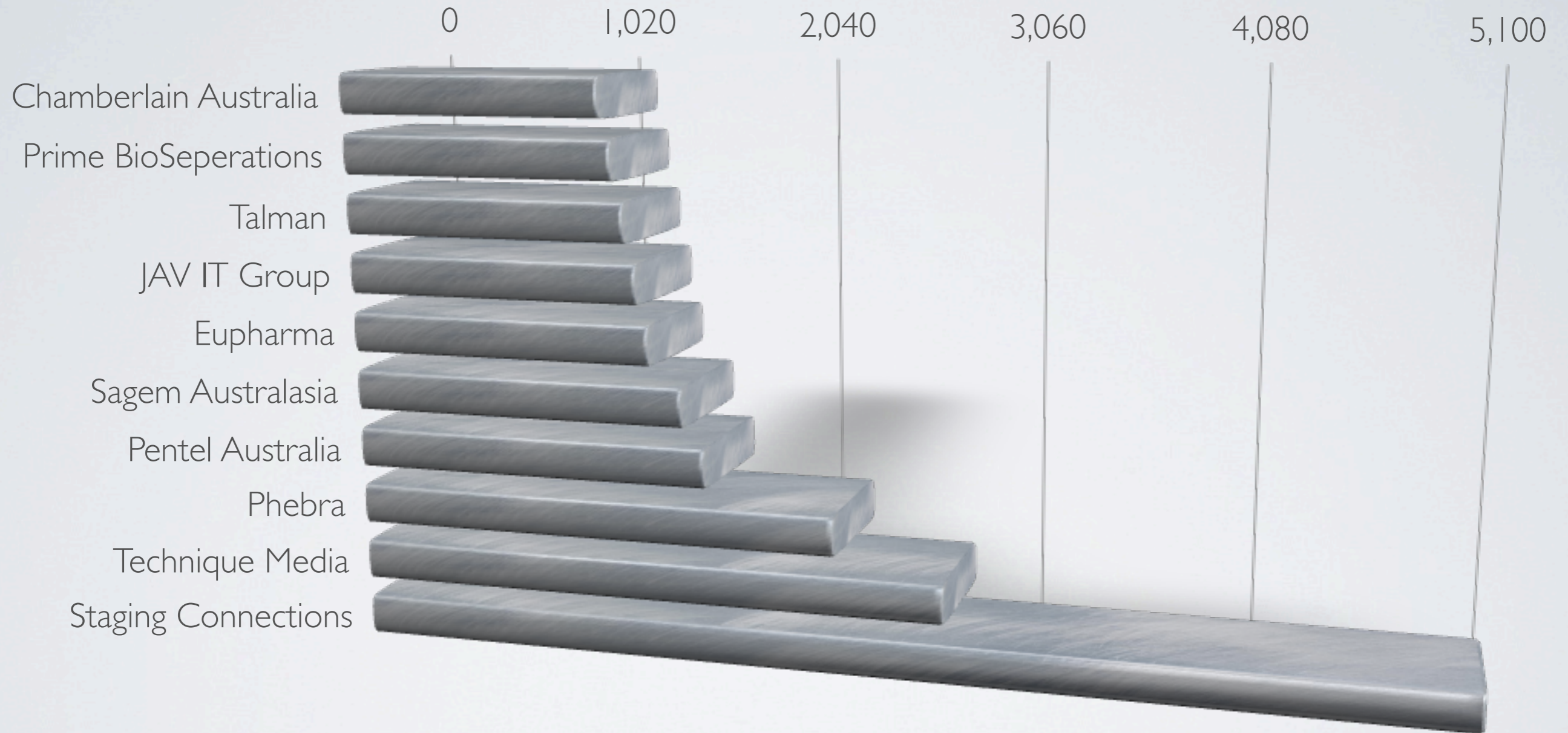
I-3 NICHOLAS ST, LIDCOMBE

# 1-3 NICHOLAS ST, LIDCOMBE



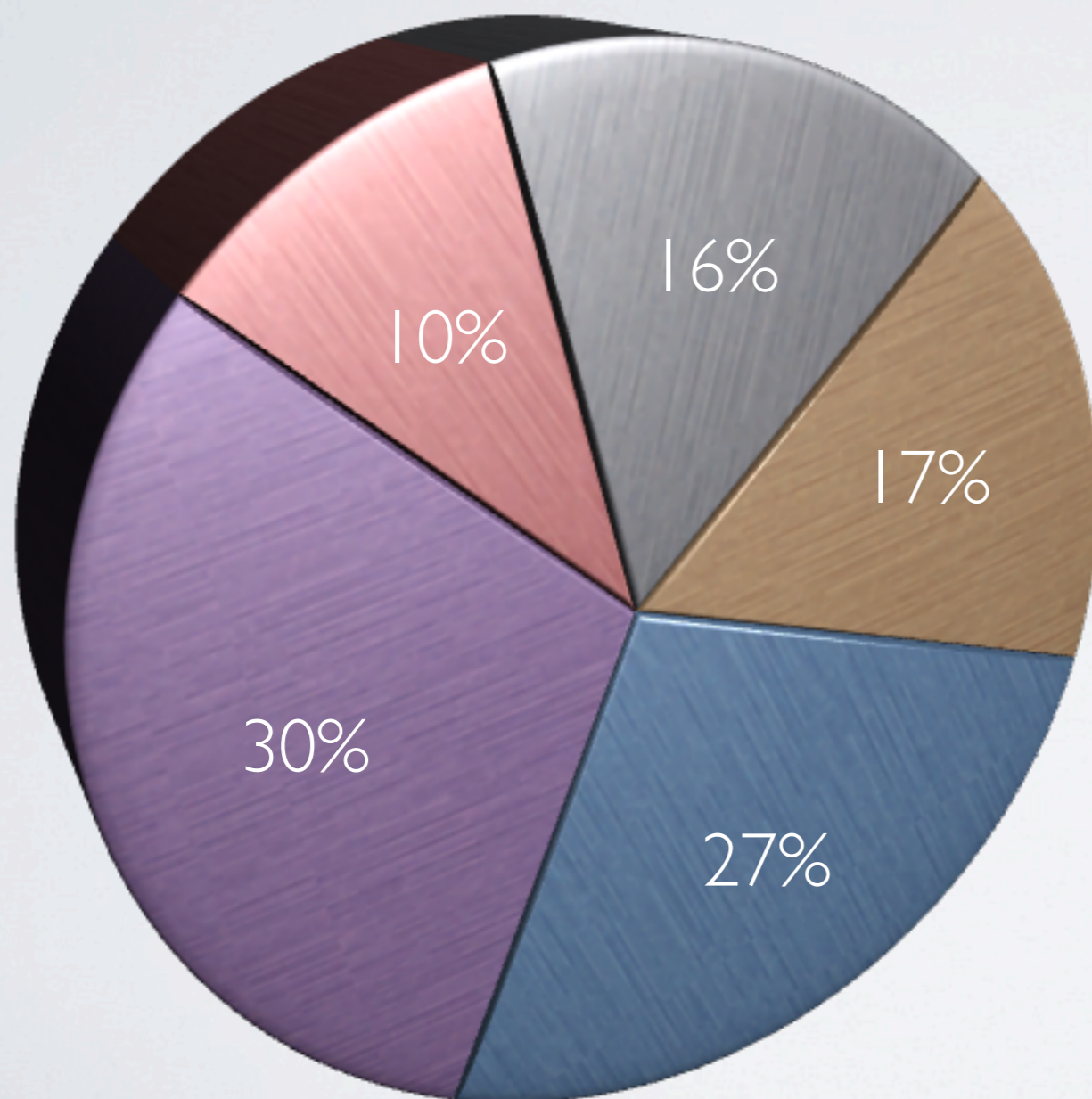
- All seven industrial units have been sold, with one unit remaining to be settled by January 2011
- The 4,000m<sup>2</sup> JG Evans Business Centre in the Sydney suburb of Lidcombe is in close proximity of the Olympic precinct

# TOP 10 TENANTS BY NLA



TOP 10 TENANTS  
BY NLA

# CONTRIBUTION OF NET RENTAL INCOME BY PROPERTY (%)



NET INCOME CONTRIBUTION BY PROPERTY

- J.G. Evans Business Centre, Lidcombe
- Sirius Rd, Lane Cove West
- Burns Bay Rd, Lane Cove
- Orion Rd, Lane Cove West
- Rozelle Multimedia Centre



# DESANE

## GROUP HOLDINGS LIMITED

“Desane will continue to operate as premium commercial and industrial property managers, creating consistent levels of earnings, asset growth and wealth for its shareholders”