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

**MEDIA RELEASE**

## **Desane Finishes the 2010 Financial Year Strongly**

The Sydney based group, Desane Group Holdings Limited, today announced a substantial increase in the net operating profit for the 2010 financial year. **The profit result came in at \$1.795 million net, reflecting a 167% increase over the previous corresponding year.**

The profit result has meant that the Group's **net tangible assets** increased from 77 cents to **81 cents per share** and resulted in **net earnings per share of 6.29 cents**. A 2 cents unfranked dividend per share has been recommended by the directors.

The Managing Director of the Group, Mr Phil Montrone, said that the key drivers of the profit increase were:

- **100% occupancy** of all the properties owned and/or managed by the Group;
- **13.5% reduction** in the Group's liabilities;
- **20% reduction** in interest costs;
- A minimal property revaluation during the reporting period.

Desane's management has been disciplined and focused during the financial year in improving the quality of the Group's property holdings and in the retention of existing tenants.

In February 2010, the NSW Department of Planning approved the rezoning to *High Density Residential R4* of the Group's 50% owned 12,000m<sup>2</sup> Lane Cove waterfront industrial property. As the residential market improves, the Company has earmarked the property for sale and expects to achieve a sale price of **up to \$40 million**. The successful sale of this property should make a substantial contribution to future profit growth of Desane.

For further information, please contact Mr Phil Montrone on 0418-614-519.