

11 January 2011

A.B.N. 61 003 184 932

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

ANNOUNCEMENT

Desane's Rozelle Bay Commercial Centre Receives Planning Approval

Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, wishes to announce that it has received development approval from the relevant planning authority to expand the approved Rozelle Bay Commercial Centre.

The planning approval for a **4,200m² six storey commercial office building** includes two executive suites and two levels of underground security parking for 62 car spaces. The previous approval was for 2,980m² of mixed office/residential.

The Managing Director, Mr Phil Montrone, said:

"Our Company is pleased to have received the planning approval for the additional floor space. The completion of the new building will complement Desane's existing 8,000m² Multimedia Centre located across the road. Once pre-commitments for the leasing of the building have been formalised, Desane will commission the construction of the building."

Having received the planning approval, Desane can now commence meaningful negotiations with a number of existing clients who have expressed an interest in leasing the commercial space to be constructed.

Market indicators are showing a strong tenancy take up in the neighbouring Pyrmont/Ultimo precinct by Australian and international media and technological companies, with an average \$300 to \$350 rent per square metre.

The property is located 3km from the Sydney CBD, at the exit of the exit of the Anzac Bridge, 100m from Victoria Road's major bus routes and in walking distance to the Lilyfield Light Rail Station.

Once constructed and fully tenanted, the Directors expect the building to have an end market value of approximately **\$16 million**.



*Left: Desane's existing Multimedia Centre.
Right: Artist's impression of Desane's newly approved six storey commercial centre.*

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED

JOHN BARTHOLOMEW
Company Secretary