

27 July 2011

A.B.N. 61 003 184 932

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

**ANNOUNCEMENT**  
**Profit Guidance**

Desane Group Holdings Limited wishes to advise that, subject to final audit review, it is expected to report a pre-tax profit in the range of \$350,000 to \$400,000 for the financial year ended 30 June 2011.

The expected pre-tax profit result has been affected by the decision of Desane's Directors to downgrade the 50% value of the shareholding it owns in the Burns Bay Road, Lane Cove property, by \$1.25 million.

Over the last four months, the 12,000m<sup>2</sup> Burns Bay Road, Lane Cove property has been marketed via an expression of interest campaign, conducted by Knight Frank and Jones Lang LaSalle. As a result of the marketing campaign, a number of significant Australian property companies expressed their interest in acquiring the property. Desane's Directors have decided that to achieve the maximum value for this property, it would be appropriate to proceed to obtain development approval in order to crystallise the quantum of the residential net saleable floor space ratio.

In view of the fact that the management of Desane has the proven skills and ability to obtain development approval for the Burns Bay Road, Lane Cove property, the co-owners and Desane's Directors are of the view that proceeding to obtain development approval will result in maximising the value of this substantial residential property asset.

With the exception of the reduction in value of the Burns Bay Road, Lane Cove property, **Desane is performing well and in line with Directors' expectations.** The key drivers for the 2011 financial year have been:

- **100% occupancy** of all properties owned and or managed by the Group;
- Long term property funding completed at favourable interest rates;
- Professional and diligent Group cost management;
- Minimal revaluation of Desane-owned property during the reporting period.

Following the finalisation of the accounts, completion of the audit review and consideration by the Board of Directors, Desane expects to announce its full result for the financial year ended 30 June 2011 on Tuesday, 23 August 2011.

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.*