



DESANE
GROUP HOLDINGS LIMITED

ANNUAL GENERAL MEETING

2011 Chairman's Highlights

- Global Financial Markets continue to remain volatile
- Equities based in commercial and industrial properties are revealing a market stability separate from more volatile classes of equities such as retail and manufacturing
- Continuing shortage of office and industrial space in inner Sydney metropolitan area
- The Groups asset value has firmed in 2011 FY with good asset growth expected in 2012 FY
- Overall operating costs of managing the property portfolio have been restrained
- Management has been diligent in negotiating an overall reduction of interest costs for the Group with Australian major banks
- Directors have therefore decided to recommend a one cent per share dividend (unfranked).

John Sheehan

Chairman

Shareholder Resolutions

TO LAY BEFORE THE 2011 ANNUAL GENERAL MEETING:

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

Annual General Meeting

Presentation & Company Highlights

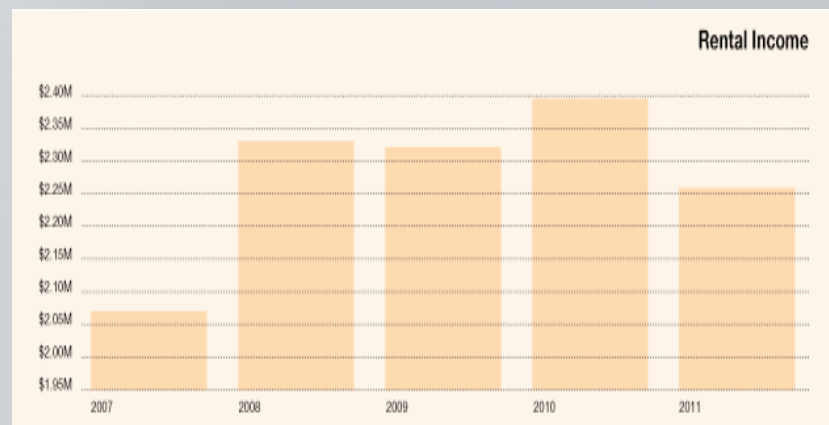
4th November 2011

Mr Phil Montrone

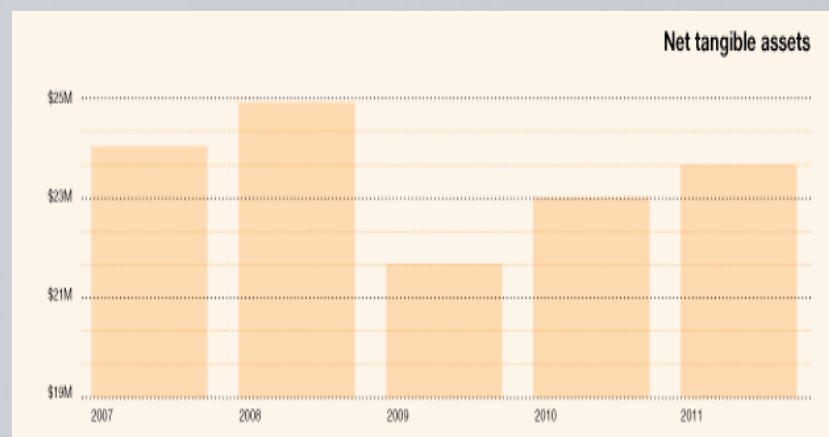
Managing Director & CEO

Key Points from FY 2011 Result

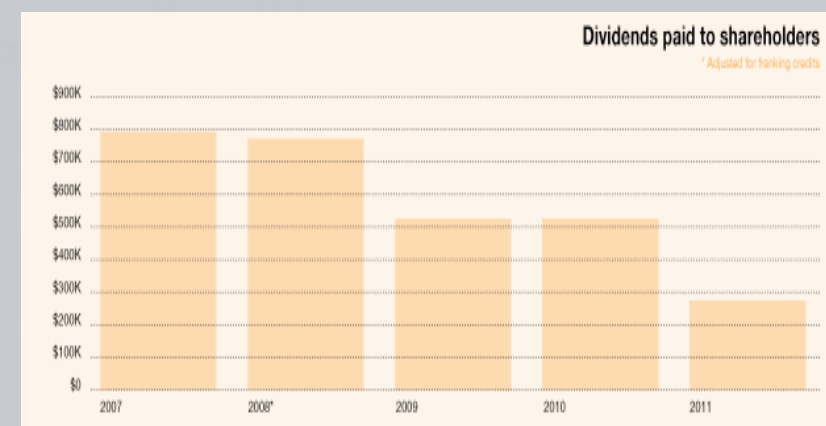
- Rental income has been maintained in a very difficult rental market at \$2.2m



- Total assets increased by 2% to \$44.6m
- Net assets increased by 3% to \$23.9m



- The Group's net tangible assets (NTA) is 79 cents per share
- All properties owned and managed by the Group are 100% leased
- All Group borrowings have been renewed on a medium to long term basis
- DA approval obtained for an additional 1,200m² of commercial floor space at 47-51 Lilyfield Road, Rozelle
- Dividend of one cent per share (unfranked) recommended



- Maintained simple business strategy
- Maintained focus on core business

An aerial photograph of a large, winding lake with a dam on the right side. The lake is surrounded by dense residential development and green spaces. The text "Desane Group Property Overview" is overlaid in the center of the image.

Desane Group Property Overview

Property Portfolio Overview

Property	FY11 Actual	FY10 Actual
13 Sirius Road	\$ 3.8 m	\$ 4.4 m
7-9 Orion Road	\$ 9.8 m	\$ 8.8 m
68-72 Lilyfield Road Multimedia Centre	\$ 10.5 m	\$ 10.2 m
318-332 Burns Bay Road	\$ 9.3 m	\$ 10.1 m
47-51 Lilyfield Road Commercial Centre	\$ 5.7 m	\$ 5.3 m
7 Sirius Road	\$ 4.4 m	\$ 1.1 m
Other Assets	\$ 1.1 m	\$ 3.8 m
Total Assets	\$ 44.6 m	\$ 43.7 m
Total Liabilities	\$ 20.7 m	\$ 20.5 m
Net Assets	\$ 23.9 m	\$ 23.2 m
NTA per share	\$ 0.79	\$ 0.81

Property Portfolio Overview

- Property portfolio consolidated with approximately 37,300m² in lettable area
- All properties remain underpinned by leases to high quality tenants
- Operating revenues remain steady at \$3m
- Property management & service revenue up 46% to \$228k
- Net revaluations up to \$871k
- 47–51 Lilyfield Road, Rozelle received DA approval for a four storey commercial building. The decision to commence this project depends on more favourable market conditions.

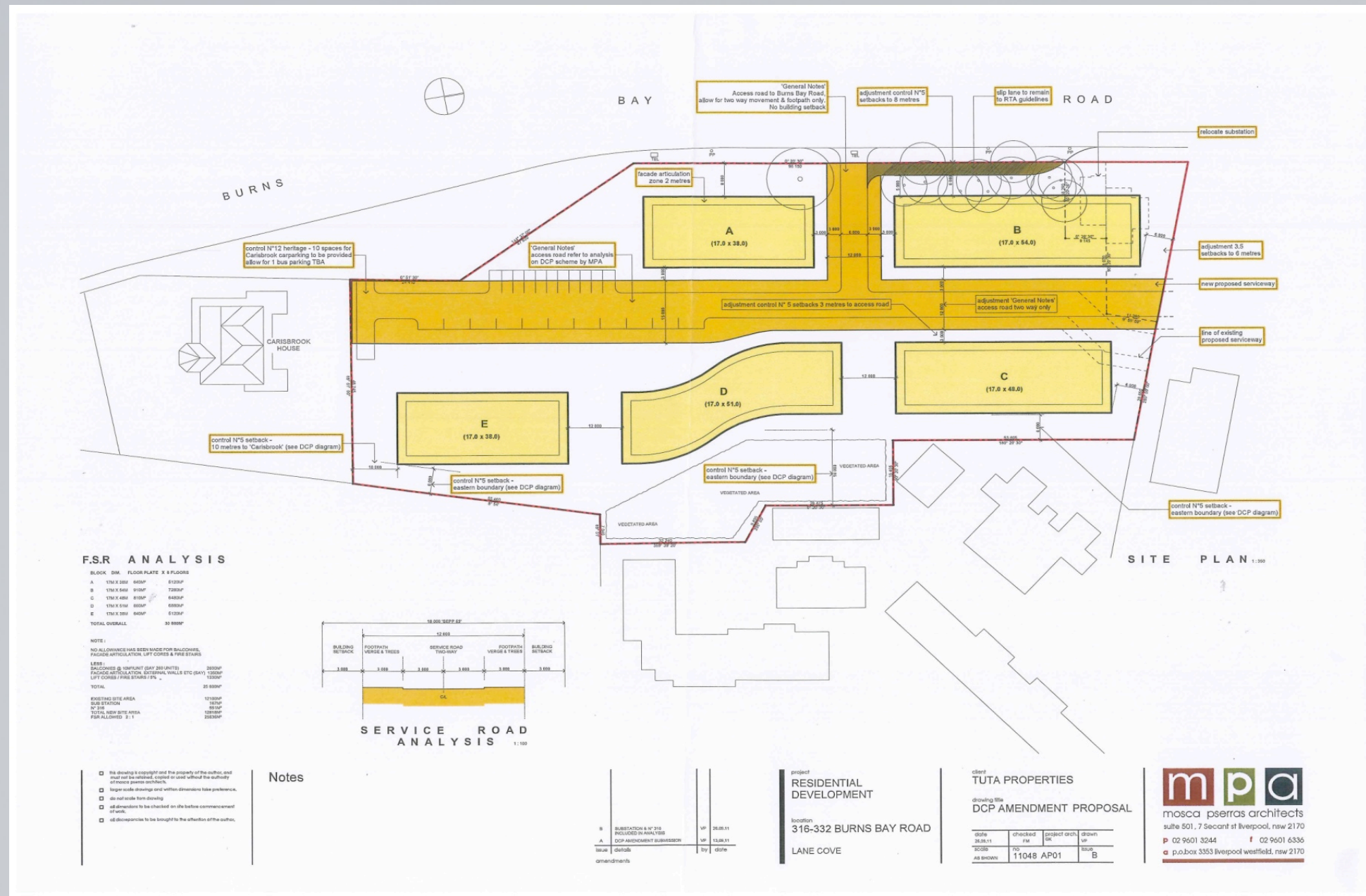
Property Portfolio Overview

318–332 Burns Bay Road, Lane Cove

- Expression of Interest (EOI) campaign undertaken in March 2011
- The EOI campaign highlighted the need to proceed to obtain DA approval for up to 280 residential apartment units
- This 12,000m² waterfront property is zoned High Density Residential R4 with FSR of 2:1
- Short to medium term market conditions are strengthening.
- Long term conditions remain good as vacancy rates fall and cultural shifts and an ageing population see the need for smaller sized units and apartments in the Lane Cove area
- A decision as to how to proceed with this property will be made after DA approval has been obtained

Property Portfolio Overview

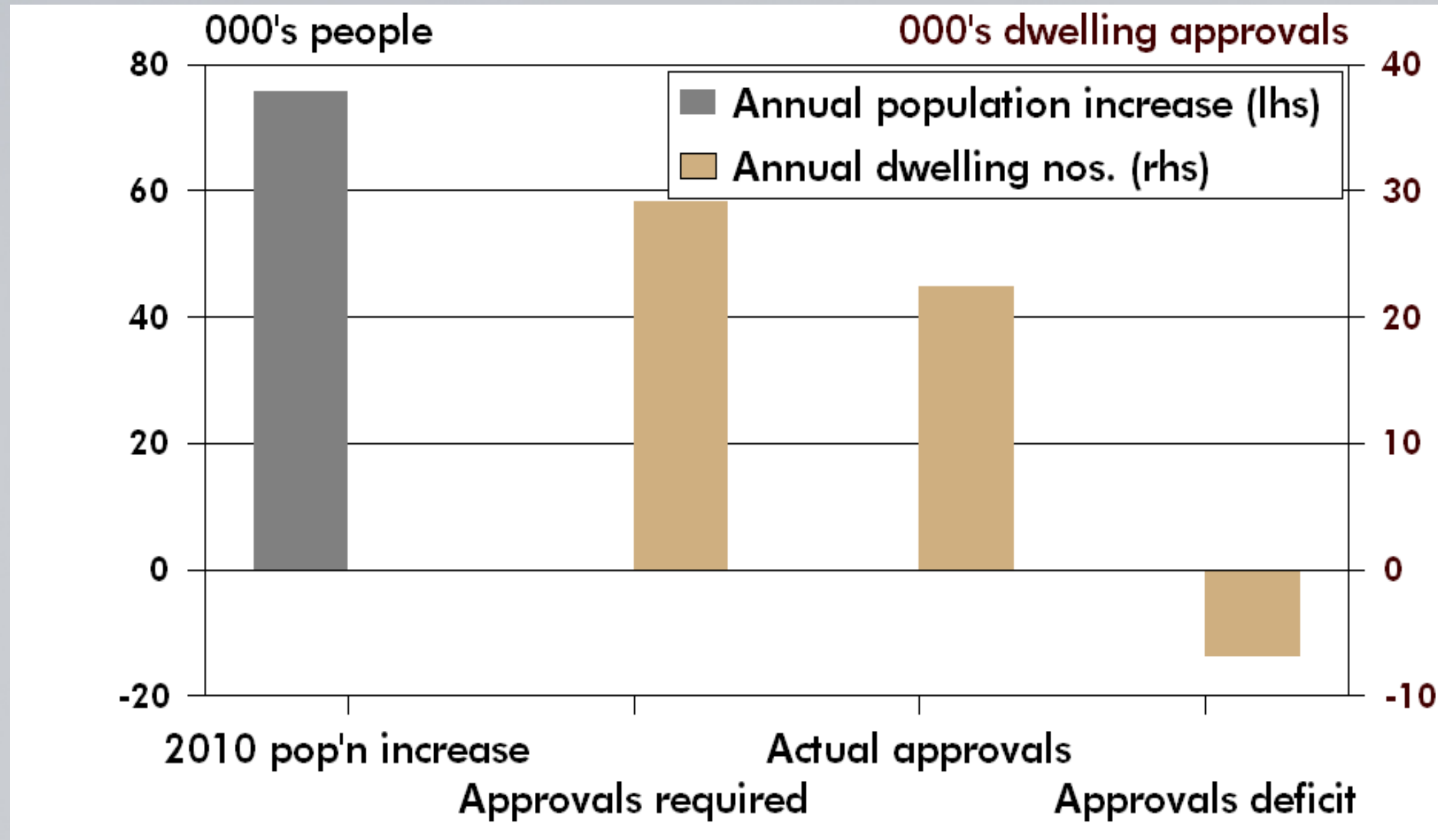
318-332 Burns Bay Road, Lane Cove



Proposed Residential Block Plan

Property Portfolio Overview

Sydney Metropolitan dwelling approvals required vs actual



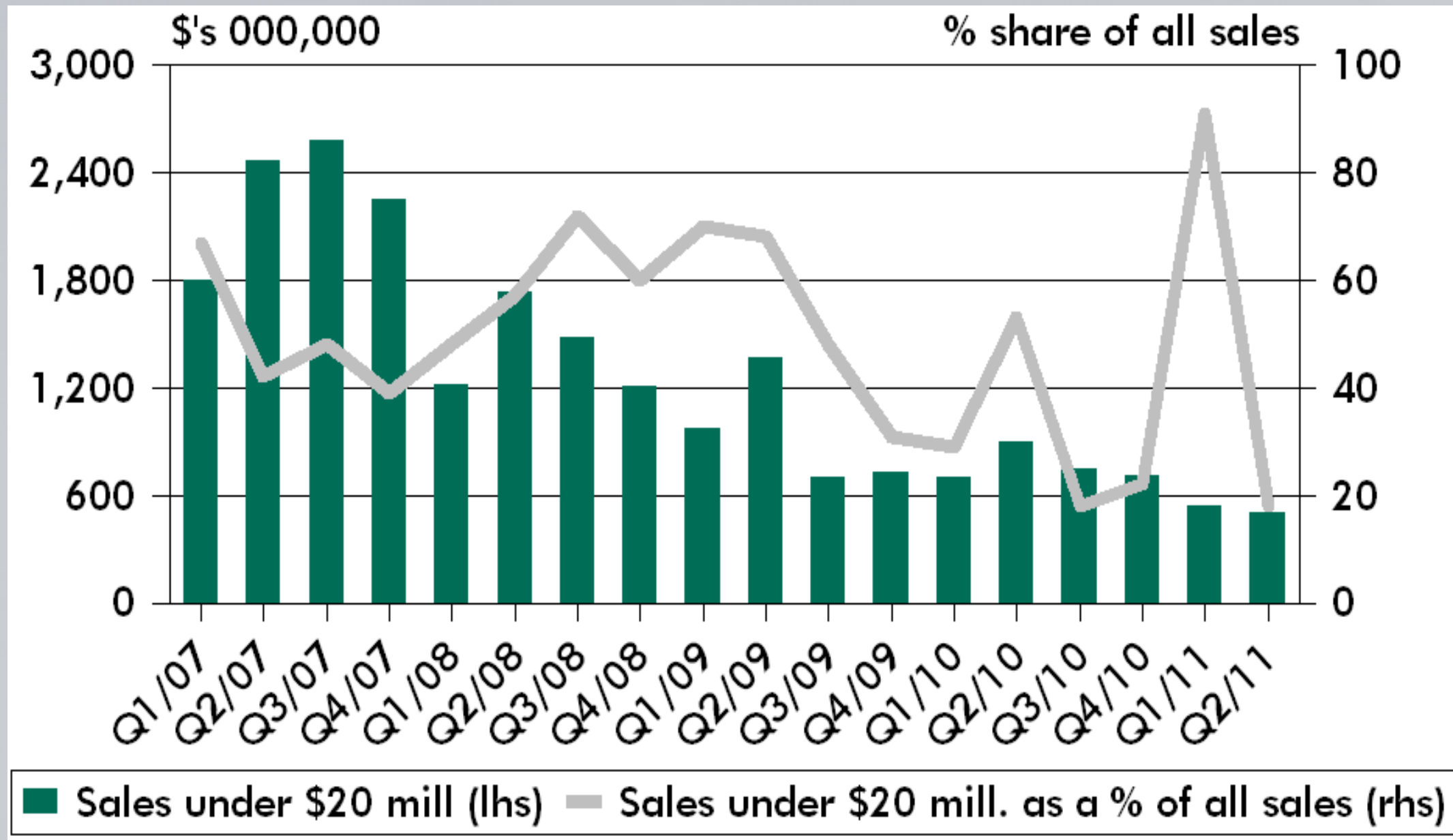
Source: Australia Bureau of Statistics & CBRE (July 2011). Based on average household of 2.6

An aerial photograph of a large lake with a dam on the right side. The lake is surrounded by residential areas with houses and trees. There are some industrial buildings and parking lots visible near the water's edge. The sky is clear and blue.

Industrial Property Market Overview

Industrial Property Sales

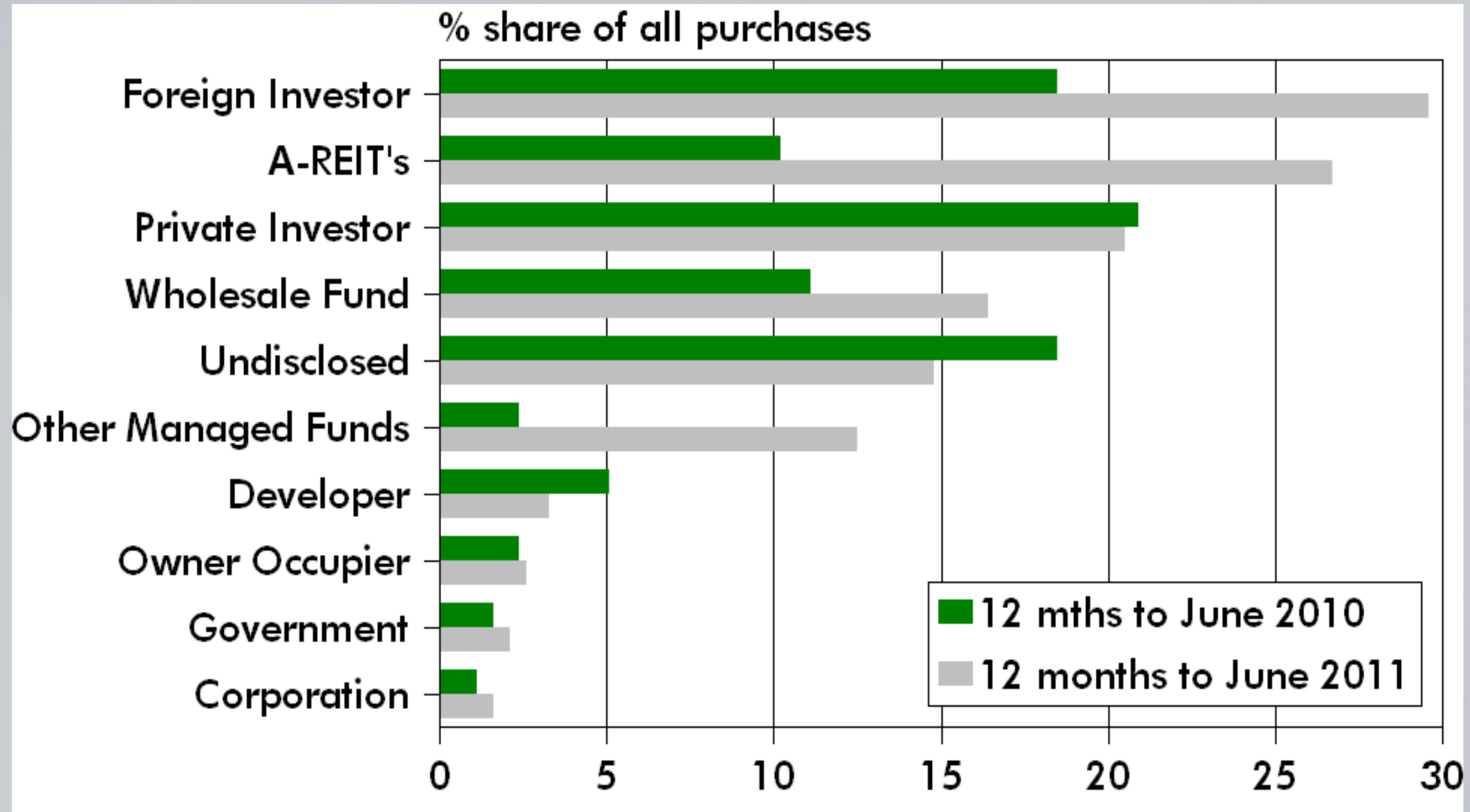
Sales below \$20 million have stabilised at a low level



Source: CBRE (July 2011).

Who's been buying?

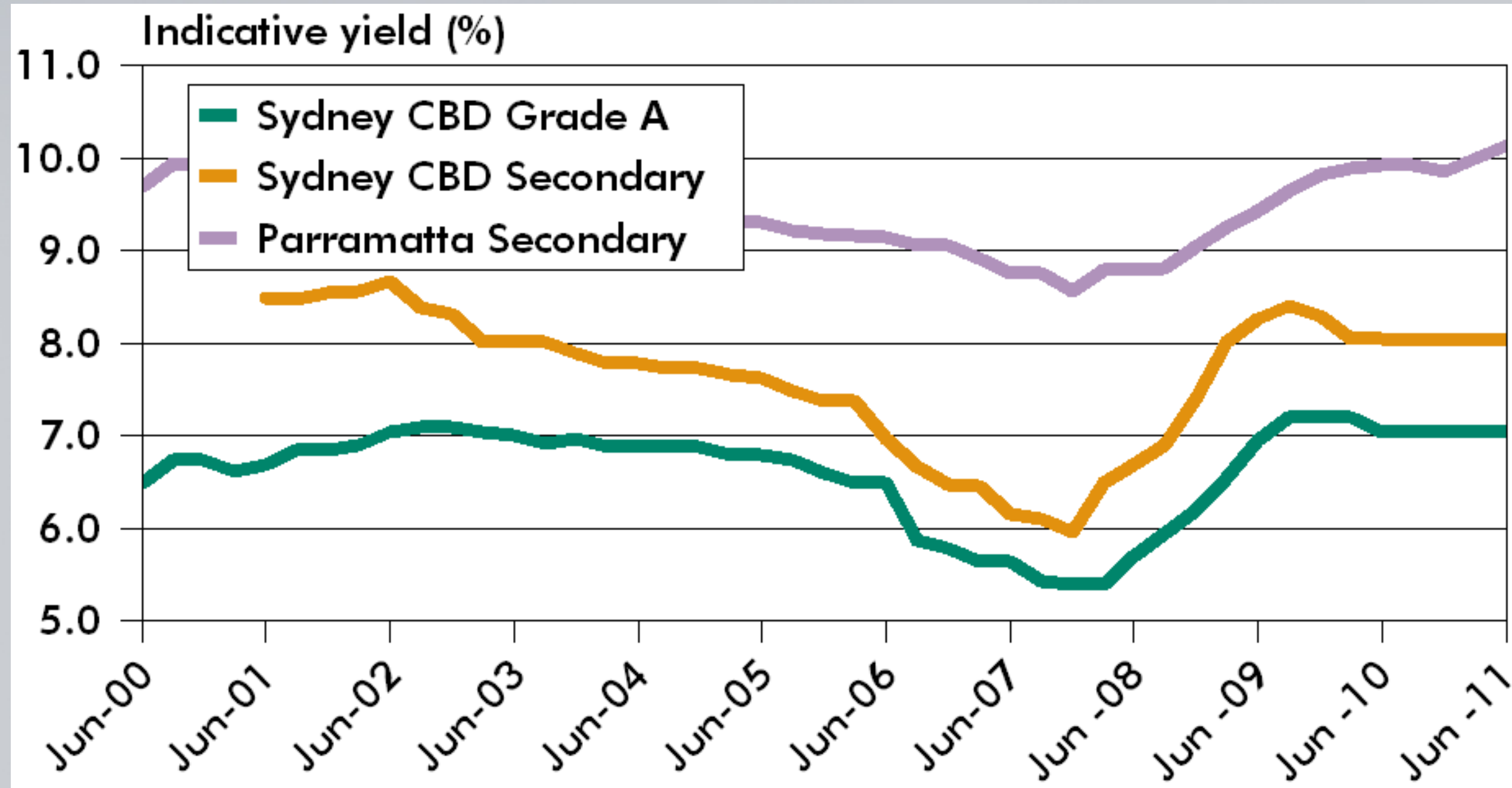
Foreign investors, REITs and private investors are very active



Source: CBRE (July 2011). For all commercial property transactions above \$5.0 million

Yields Table

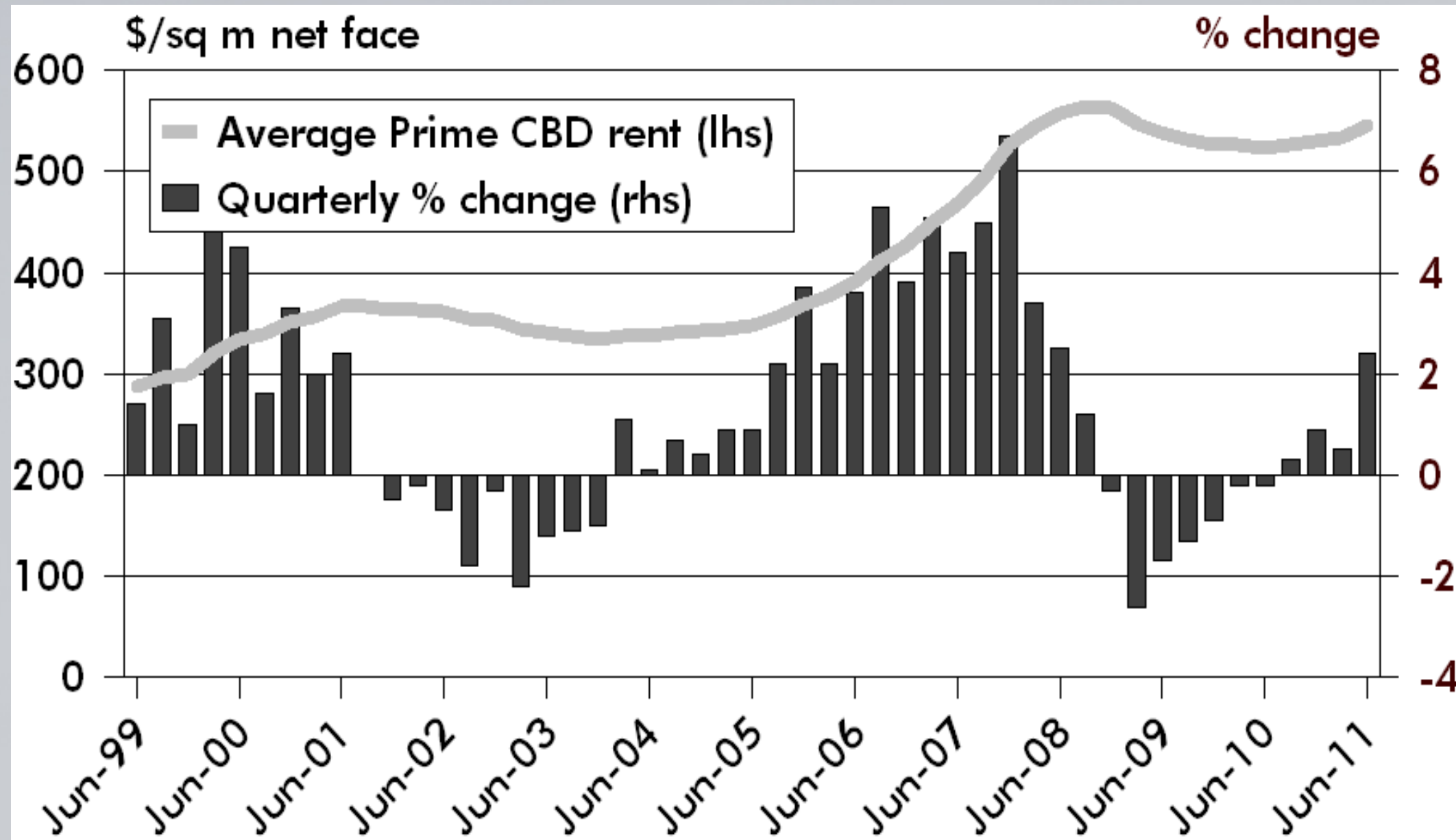
Income Yields are high by global standards as properties are revalued



Source: CBRE (July 2011)

Prime face rents

Starting to rise with limited supply. A slowing construction cycle will assist in vacancy falls in 2012/13



Source: CBRE (July 2011)

Incentives & Vacancies

Industrial vacancies are on the way down

Incentives are falling with limited supply and a rise in demand for warehouse & distribution centres

As at	Sydney Industrial		Melbourne Industrial	
	Indicative Incentives %	Total vacancy %	Indicative Incentives %	Total vacancy %
end 2010	29	8.3	19	6.6
end 2011	25	9.1	18	5.1
end 2012	20	7.6	17	5.5
end 2013	20	7.4	17	6.9

Source: CBRE (August 2011)

Note: Indicative incentives are expressed as a % of the value of a 10 year lease

An aerial photograph of a large, winding lake with a dam on the right side. The lake is surrounded by dense residential and commercial development, including houses, roads, and some industrial buildings. The water is a deep blue, and there are many small boats visible in the lower part of the lake. The overall scene is a mix of natural water and human-made infrastructure.


Desane Group Share Price

DGH Share Price v NTA

- DGH share price – significant upside based on trading at 50% below NTA
- Simply put you can purchase \$0.79 of value for \$0.39 (trading price as at 12th October 2011)
- Australian Real Estate Investment Trust (A-REIT) average is 15% below NTA (SMH October 1–2 2011)
- The outlook in the short to medium term is uncertainty expected to be a continuing feature of global financial markets
- However DGH assets remain conservatively valued and its share price represents good value at current levels

DGH v ASX Listed Australian Property Trust's (5 Yr Share Price)



Key  DGH Share Price 2007-2011  ASX Listed Property Trust's 2007-2011

Source: CommSec (July 2011)

In Conclusion:

- The DGH share price is trading well below its net tangible asset (NTA) price
- The discounted share price can become an attractive alternative to other forms of investment
- The Sydney industrial property market presents some challenges but also many opportunities
- Desane has a strong reputation and proven ability to recognise market opportunities as they arise

General Discussion

Q&A

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