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

MEDIA RELEASE

Desane has a Positive Outlook for Industrial Properties

The Sydney based industrial property group, Desane Group Holdings Limited, has reported an after tax loss of \$2.676 million. The accounting loss occurred as a result of an across-the-board property devaluation by the Group of \$6.057 million.

The Group's Managing Director, Mr Phil Montrone, said *"Not all is negative in the Sydney industrial property sector"*. He highlighted the fact that notwithstanding the tough economic conditions which have prevailed during the 2008/2009 financial year, Desane achieved some significant outcomes:

- ◆ The Group refinanced 80% of its borrowings on a long term basis with Australian banks, achieving an average interest rate of sub 5.5% on these borrowings.
- ◆ The Group's revenue increased by 11% during the financial year.
- ◆ All of the properties owned and managed by the Group are 100% occupied.
- ◆ The Group achieved an underlying after tax profit of \$1.482 million before property devaluations.

Mr Montrone concluded by saying that, *"provided industrial property owners retain their tenants at current market rental, Sydney industrial property devaluations should be levelling out and the market should not experience the dramatic devaluation that it has experienced over the past 12 months"*.

The Company's net tangible asset now stands at 77 cents per share after accounting for deferred tax on the Group's property investment revaluation.

Desane has declared a final dividend of 2 cents per share, unfranked for the 2009 financial year.

For further information, please contact Phil Montrone on (02) 9569-0344.