

4 November 2009

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

Dear Sir/Madam

Presentation to Shareholders at 2009 AGM

Please find attached a copy of the presentation made to shareholders at the Desane Group Holdings Limited Annual General Meeting held today.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED



JOHN BARTHOLOMEW
Company Secretary

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 \$44.5 million of properties and other assets and manages a further \$18.8 million of industrial and commercial properties in the Sydney region. Our medium term objective is to continue to increase our property holdings.

AGM 2009



Wednesday, 4 November 2009

2009 Chairman's Highlights

- The impact of the global financial crisis on Australian property values has resulted in a decrease in the Group's net tangible assets. Notwithstanding the impact of the devaluation, the Group's operating profit, before the devaluation, has increased.
- Australian property, as an investment vehicle, remains much more robust than in other parts of the world.
- The commercial and industrial properties held by the Group are **fully occupied** and indeed sought after by prospective tenants.
- The ability of Desane to negotiate 90% of its loan facilities at lower interest rates has meant that the Company has been able to reduce overall costs on its borrowings, whilst the rent from the leased properties remains strong.
- The rezoning of the 12,100m² industrial waterfront complex in the Sydney suburb of Lane Cove to high density residential is nearing completion. The Directors anticipate that full rezoning approval will be obtained during the 2009/2010 financial year.
- Notwithstanding the financial turmoil this financial year, the Group has retained all of its tenants and it expects rental income to increase in the 2009/2010 financial year.
- The Directors are confident that the demand from prospective tenants, for quality commercial and industrial properties, will become stronger in the current financial year and that capitalisation rates, whilst subdued, still remain remarkably firm for quality property.
- The Directors are comfortable with the strategies implemented so far and are confident that they will result in value and earnings growth for the coming financial years. As a result, the Directors have decided to recommend a **dividend of 2 cents per share** (unfranked).

ANTONIO GELONESI

Acting Chairman

DESANE
GROUP HOLDINGS LIMITED

Shareholder Resolutions

To lay before the 22nd Annual General Meeting:

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

Annual General Meeting



Presentation & Company Highlights

4 November 2009

Phil Montrone

Managing Director & CEO

Business Highlights for the Year ended 30 June 2009

- Properties owned and managed by the Group 100% leased
- Group revenue increase of 11.5%
- 2 cents per share dividend recommended
- Net Tangible Assets stand at 77 cents per share
- Obtained planning approval for mixed residential/commercial building at 47-51 Lilyfield Road, Rozelle

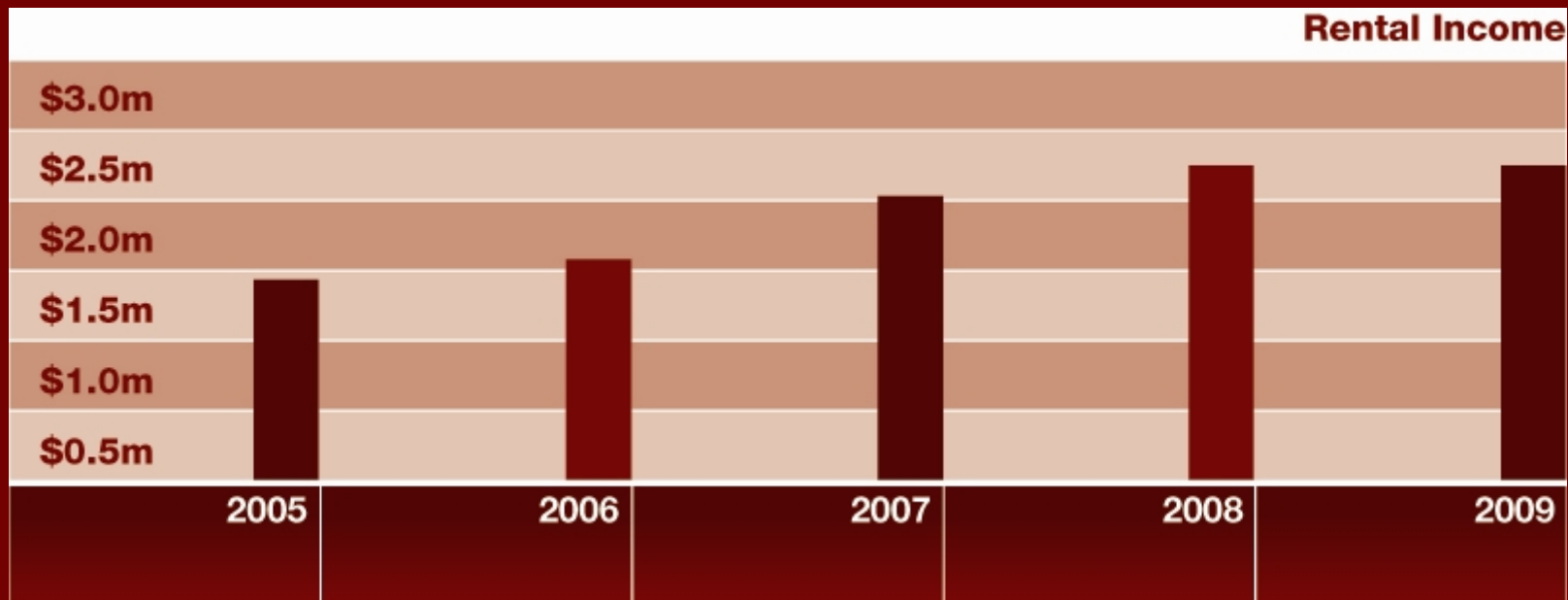
Business Highlights for the Year ended 30 June 2008

- **Obtained Lane Cove Council approval to rezone 318-332 Burns Bay Road, Lane Cove to high rise residential**
- **Maintained focus on core business**
- **Maintained balance sheet position**
- **Maintained simple business strategy**
- **Bank borrowing program 90% completed**

2009 Net Asset Summary

Property	FY08 Actual	FY09 Actual
Sirius Road	\$ 5.5 m	\$ 4.2 m
Orion Road	\$ 12.0 m	\$ 9.5 m
Lilyfield Road Multimedia Centre	\$ 11.7 m	\$ 10.1 m
Nicholas Street	\$ 4.9 m	\$ 1.7 m
Burns Bay Road	\$ 7.1 m	\$ 8.2 m
Lilyfield Road Commercial Centre	\$ 4.5 m	\$ 5.0 m
Other Assets	\$ 2.9 m	\$ 5.8 m
Total Assets	\$ 48.6 m	\$ 44.5 m
Total Liabilities	\$ 23.5 m	\$ 22.5 m
Net Assets	\$ 25.1 m	\$ 22.0 m
NTA per share	89 cents	77 cents

5 Years' Rental Income



Sydney Property Portfolio

DESANE
GROUP HOLDINGS LIMITED

Multimedia
Centre



47-51 Lilyfield Road, Rozelle

Major Tenants:

 **Sydney Metro**

Sydney
Coach Charter



47-51 Lilyfield Road, Rozelle



- **Desane has planning approval from the relevant local government authority to construct a four storey 2,980m² mixed commercial/executive residential building, with 56 basement security car parking spaces**
- **Desane is seeking approval for an additional two levels of office space thus increasing the total building area to 4,000m²**
- **Desane has finalised the Construction Certificate and will call for submissions from suitable builders once the leasing market strengthens and suitable tenants have pre-committed to lease the building**
- **The property is located 3 kilometres from the Sydney CBD, at the western exit of the Anzac Bridge, 100 metres from Victoria Road and the Lilyfield Light Rail Station, and directly across the road from Desane's existing multimedia centre**
- **The property is currently leased, on a short term basis, to Sydney Metro and Sydney Coach Charter**

68-72 Lilyfield Road, Rozelle

Major Tenants:

**STAGING
CONNECTIONS**

WOW!



68-72 Lilyfield Road, Rozelle



- The 8,000m² Multimedia Industrial Park, located 3 kilometres from the Sydney CBD, in the suburb of Rozelle, is fully leased to blue chip national tenants
- This property is performing well, being in a prime Sydney location
- The close proximity of the property to the Anzac Bridge and the Sydney Cross City Tunnel, linking the eastern suburbs to the inner western suburbs of Sydney, should ensure continuing strong capital improvements for this property
- A review of the permissible floor space ratio is currently being undertaken, with a view to seeking planning approval to increase the leaseable floor space from 6,000m² to 10,000m²
- Desane has a 70% joint venture interest in this property

1-3 Nicholas Street, Lidcombe

Major Tenants:

 **BROOKS**


AstraGrace

mwave.com.au


**MISH
MASH**

1-3 Nicholas Street, Lidcombe



- The 4,000m2 JG Evans Business Centre in the Sydney suburb of Lidcombe, in close proximity of the Olympic precinct, is 100% leased to long term national tenants
- The sale of Units 1 and 6 have been finalised
- The sale contracts for Units 2 and 7 have been exchanged with settlement due to occur before the end of December 2009
- The sale contract for Unit 3 has been issued to the purchaser with the exchange of contract being imminent
- Desane intends to retain Units 4 and 5, which are leased to strong long term tenants with a high rental income

L3 Sirius Road, Lane Cove



Major Tenants:

Clarius
Group

 **PMPLIMITED**

13 Sirius Road, Lane Cove



- This 2,400m² high-tech property is leased to two major Australian corporations on a long term basis
- The building is a two-level commercial property with 50 basement security parking spaces
- This property will continue to show significant rental increases and profit returns to the Group in future years

Major Tenants:

Pentel

Sagem Australasia
SAFRAN Group

LUXURY BEVERAGE
GROUP

merlin
remote control openers

OPTIMED

7-9 Orion Road, Lane Cove



7-9 Orion Road, Lane Cove



- This 8,000m² five unit industrial complex is occupied by five large Australian and international corporations, all with medium to long term leases
- This property is performing well and will continue to show significant rental increases and profit returns to the Company in future years

318-332 Burns Bay Road, Lane Cove

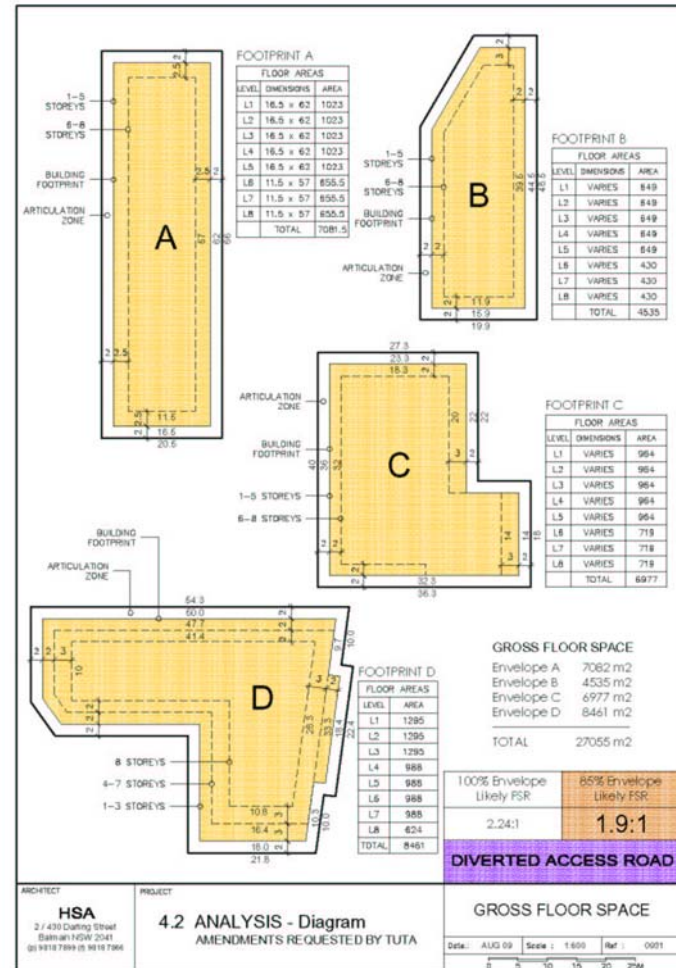
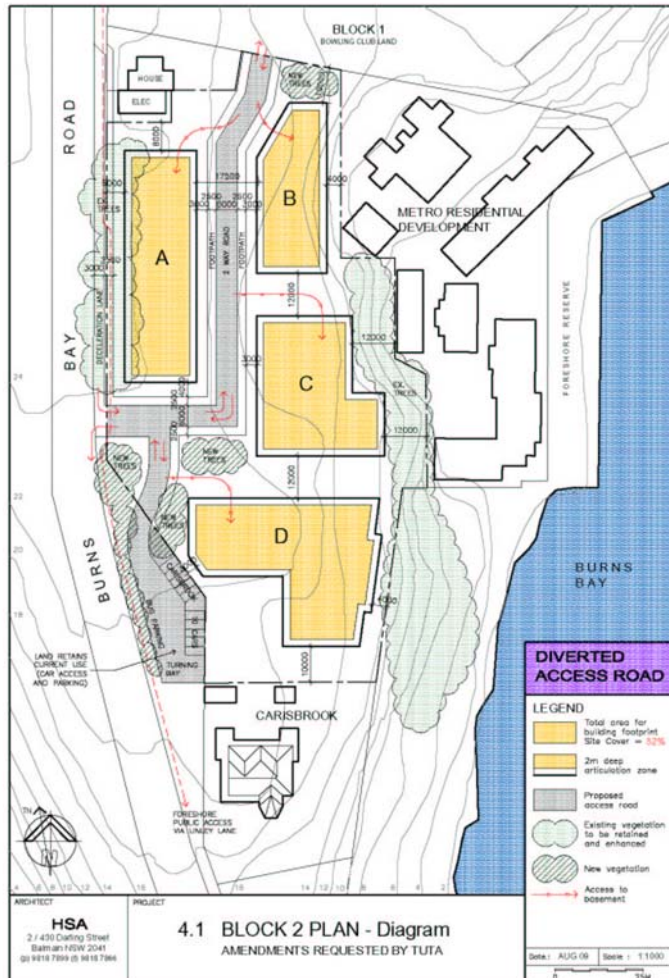
Major Tenants:



Existing industrial facilities



318-332 Burns Bay Road, Lane Cove Proposed Residential Block Plan



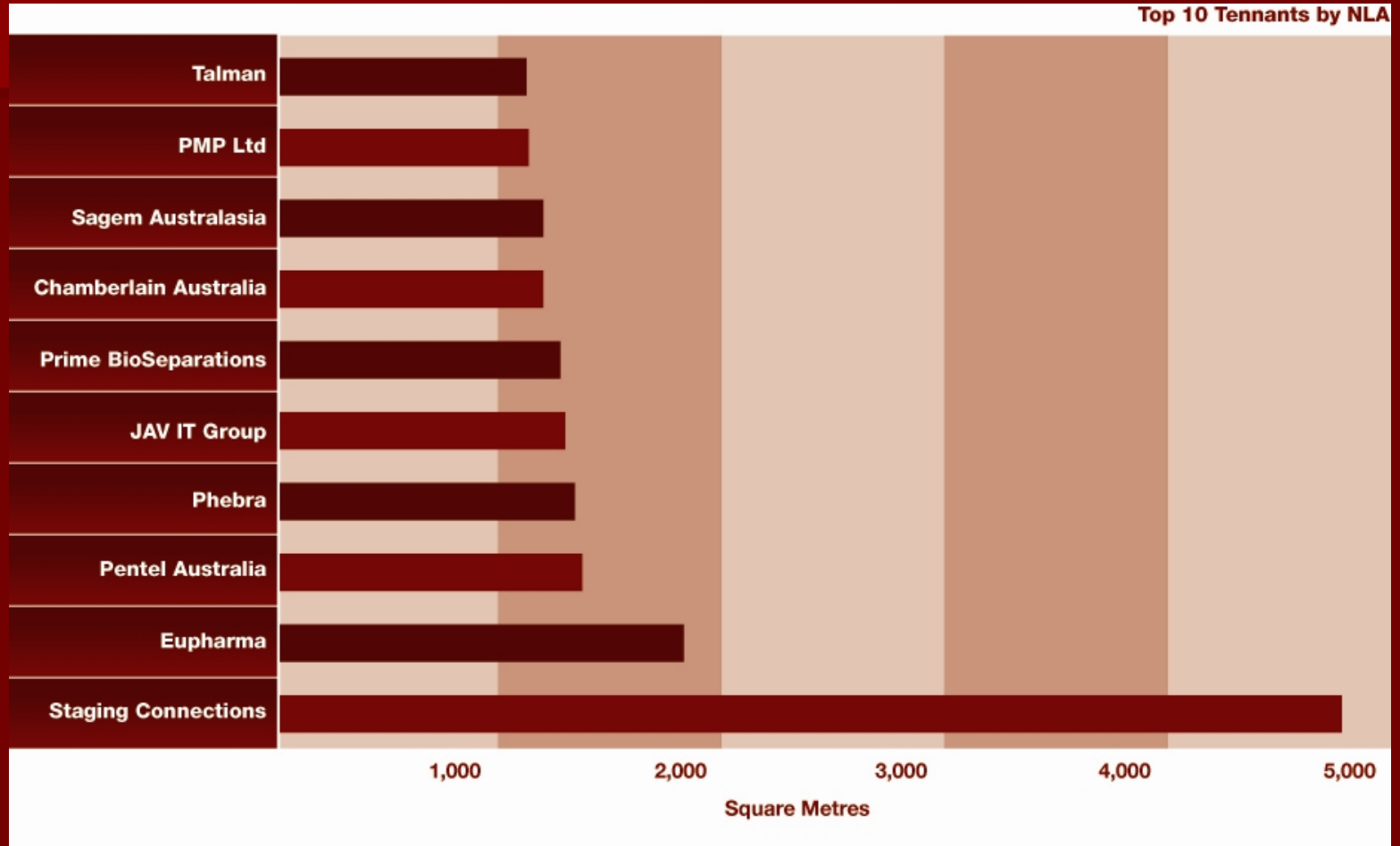
Council Approved Residential R4 zoning - 25m high 8 storey buildings permissible

318-332 Burns Bay Road, Lane Cove

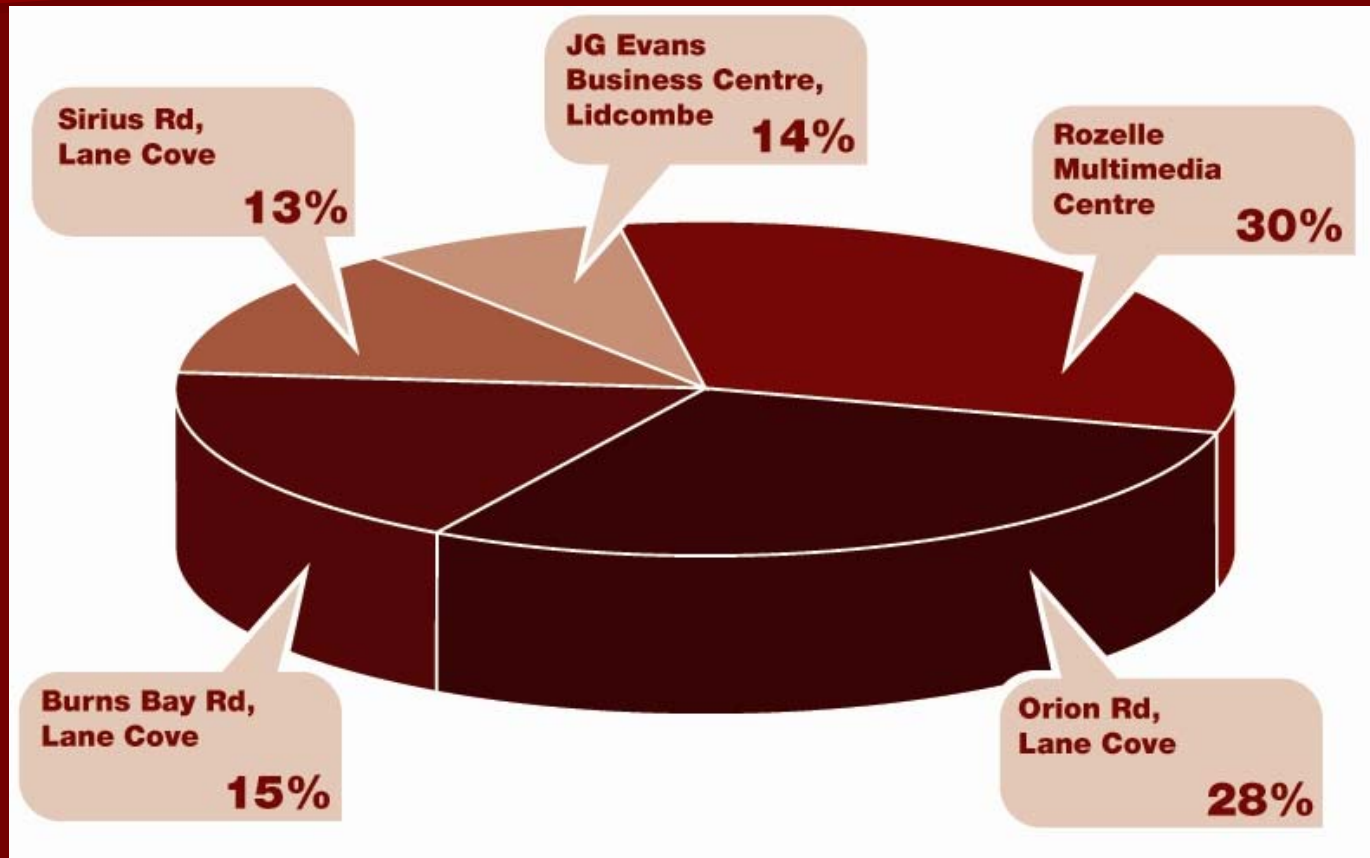


- Lane Cove Council has approved the Draft Local Environment Plan and the Draft Development Control Plan for this property
- The property has been approved for rezoning to High Density Residential R4 with a proposed floor space ratio of 2:1
- This will allow a number of 8 storey residential buildings with an approx. building area of 25,000m²
- The rezoning is progressing through the NSW Department of Planning for final approval
- Subject to final approval, Desane believes that the target value of \$35 million to \$40 million is possible
- This property is composed of 12,000m² of land and includes approximately 8,000m² of industrial building
- The property is fully leased to Australian medical and technology companies
- Desane has a 50% interest in this property

Top 10 Tenants by NLA



Contribution of Net Rental Income by Property (%)



Annual General Meeting November 2009

General Discussion



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