

6 March 2006

A.B.N. 61 003 184 932

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

Dear Sir/Madam,

ANNOUNCEMENT

Desane Completes & Part Pre-leases Lidcombe Business Centre

Desane Properties Pty Ltd, being a controlled entity of Desane Group Holdings Limited, has completed the refurbishment and upgrading of the Lidcombe business centre.

The centre comprises of seven office and industrial units on a prime 4,000 m² corner location neighbouring other major office and industrial facilities.

As at 1 March 2006, Desane has pre-leased **36%** of the centre to a multi-national company, on a long term basis, at an average rate of \$150.00 per m². When the centre becomes fully leased, the Directors expect the rental income to be approximately \$500,000 net per annum. The income derived from this property will strengthen the Group's future years' profit results.

The Directors resolved to name the business centre the **J. G. Evans Business Centre** in honour of Desane's founding Chairman, Mr John Gardner Evans, who passed away in 1992. Therefore this property will, in future, be referred to as the *J. G. Evans Business Centre at Lidcombe*.

The Directors regard this property as a prime part of Desane's growing industrial property portfolio.

Yours faithfully,



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 \$42 million and manages a further \$13 million of industrial and commercial properties in the Sydney region. Our medium term objective is to increase our property holdings to \$100 million.

