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A.B.N. 61 003 184 932

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

**PRESS RELEASE**

**Key Features of Desane's Financial Results for the  
Half Year Ended 31 December 2008**

Desane Group Holdings Limited ("Desane") has released its operating result for the half year ended 31 December 2008. The key features are:

- An after tax loss of \$919,408 reflecting a property devaluation of \$3,194,409 resulting in a 4.8% decrease in property value across Desane's entire property portfolio, driven by capitalisation rate increases.
- Revenue from ordinary activities **increased by 26%** over the corresponding period.
- The six months' financial results show that as at 31 December 2008, Desane's overall gearing (excluding associated entity loans<sup>1</sup>) is **42.4%**.
- Desane's net interest payable (excluding associated entity loans<sup>2</sup>) for the next 12 months is approximately 35% of the Group's net rental income or **2.8 times net rental income to interest cover**.
- Following the devaluation of \$3,194,409, Desane's net tangible assets, as at 31 December 2009, stand at **85 cents per security**.
- Desane's balance sheets carry **no intangible assets**.

The refinancing of Desane's loans is **proceeding well**. The first tranche of \$5.7 million was refinanced on 28 January 2009 for a period of 2 years. Desane is currently finalising the second tranche of \$6.5 million loan, due in June 2009 and it expects it to be formalised on the same terms and conditions as the first tranche.

The formalisation of the loans should result in an overall **annual interest saving of approximately \$340,000**. This interest saving should contribute positively the overall Group profit result in the future.

Desane will continue to be a significant Sydney based commercial and industrial landlord and will continue to increase its property holdings as opportunities arises. Desane currently **owns over \$46.7 million of properties** and other assets and it **manages an additional \$18.8 million of industrial properties** in the Sydney metropolitan area.

Yours faithfully,  
**DESANE GROUP HOLDINGS LIMITED**



**JOHN BARTHOLOMEW**  
**Company Secretary**

<sup>1</sup> Associated entity loans of \$2,136,751.

<sup>2</sup> Statutory interest applied to associated entity loans.