

12 April 2005

A.B.N. 61 003 184 932

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

Dear Sir/Madam,

PRESS RELEASE
Desane Purchases
Third Lane Cove Industrial Property

The Sydney based listed industrial property group, Desane Group Holdings Limited, has announced that it has purchased a 2,500m² industrial and commercial property in the Sydney suburb of Lane Cove. This is the third property that Desane has purchased in Lane Cove over a period of five years.

The industrial and commercial property is located on Sirius Road, at the gateway of the Lane Cove industrial precinct. The property was purchased from PMP Wholesalers, a division of the magazine and catalogue printer, PMP Limited. The property comprises of a basement car park with 38 spaces, a ground floor office and warehouse facility of 1,263m² and a first floor level of 1,100m² used as digital production and photography studio facilities.

Desane has agreed to pay the purchase price of \$2.9 million and PMP Wholesalers, the vendor, has agreed to lease back the digital production and photography studio facilities which make up 47% of the building. Desane is currently negotiating the leasing of the ground floor office and warehouse space. When the property is fully leased, a 10% return is expected. Settlement has been agreed to occur late September 2005.

The purchase of this property follows Desane's two other purchases in Lane Cove. In 1999 Desane purchased, in partnership with another Australian corporation, the 12,000m² waterfront high tech industrial facility on Burns Bay Road, Lane Cove. In January 2004, it purchased an 8,000m² industrial property on Orion Road, Lane Cove, from Tower Asset Management.

The Managing Director, Mr Phil Montrone said:

"This property will be placed in our Company's medium to long term property asset portfolio, as we believe that Lane Cove industrial properties do not currently reflect their true value."

For further information, please contact Phil Montrone.

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 and or manages more than \$65 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to \$100 million.