

30 May 2005

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

Dear Sir/Madam,

**ANNOUNCEMENT**  
**Desane Receives Planning Approval for  
Lidcombe Industrial Complex**

We wish to advise that Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, has received planning approval from Auburn Council for the 4,000m<sup>2</sup> seven industrial strata building complex in the Sydney suburb of Lidcombe.

Desane settled the purchase of this property in December 2004 and applied to Auburn Council for planning and strata approval to upgrade and strata the 4,000m<sup>2</sup> industrial property into seven separate strata industrial units. Building work is expected to commence within the next few weeks. The complex is expected to be completed by December 2005.

The Company purchased the property for the sum of \$3,050,000 and expects to spend an additional \$2,000,000 in the building upgrade and strata subdivision. At current market conditions for similar complexes in the district, the Company expects to achieve a market value of approximately \$6,500,000 or more on completion.

Yours faithfully,  
**DESANE GROUP HOLDINGS LIMITED**



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

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***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.