

DESANE

GROUP HOLDINGS LIMITED

ABN 61 003 184 932

3 December 2001

AUSTRALIAN STOCK EXCHANGE



DGH000101

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

FAX NO: 1300 300 021

Dear Sir/Madam,

DESANE GROUP HOLDINGS LIMITED
CHAIRMAN'S LETTER TO SHAREHOLDERS

Please find a copy of the Chairman's letter which will be posted to all shareholders tomorrow, 4 December 2002.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED

JOHN BARTHOLOMEW
Company Secretary.

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Dear Shareholder,

As you are aware, your Directors recently announced a 1.5¢ fully franked dividend and a share purchase plan.

In writing to you, I am enclosing the following:

- A 1.5¢ fully franked dividend cheque for shares you held as at 20 November 2002.
- A share purchase plan offer. *This offer is only available to existing shareholders* and is self explanatory. If you require additional information, please ensure you obtain independent financial advice or contact Desane's Company Secretary, Mr John Bartholomew. To facilitate your return mail, we have enclosed a self addressed envelope.
- An extract from HUNTLEYS' SMALLER COMPANIES GUIDE, published on 13 November 2002, which reviews Desane Group Holdings.

I take this opportunity to thank you for remaining loyal to the Company and look forward to rewarding you as a shareholder on an ever increasing way in the future. *If you wish to keep in touch with your investment in Desane please visit our website at www.desane.com.au.*

The Directors and Staff of Desane wish you and your family a merry Christmas and a rewarding 2003.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED



JOHN SHEEHAN
Chairman