

4 October 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,

ANNOUNCEMENT
Desane Completes Purchase of
Lane Cove Industrial Property

We wish to advise that Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, has completed the purchase of the 2,500 square metre commercial industrial property in the Sydney suburb of Lane Cove.

The industrial and commercial property is located on Sirius Road, Lane Cove, at the gateway of Lane Cove's industrial precinct. The property has been purchased from PMP Wholesalers Pty Ltd, being a controlled entity of magazine and catalogue printer, PMP Limited. The property comprises of one level of office and warehousing and one level of digital photography and digital production studio facilities. The property also contains 38 basement security car parking spaces.

The purchase price is \$2.9 million. PMP Wholesalers Pty Ltd (the vendor), has agreed to lease back, on a long term basis, the digital photography and digital production studio facilities, which make up 47% of the building. Desane is currently negotiating the leasing of the balance of the building. When the property is fully leased, a 10% return is expected.

The acquisition of this property follows the purchase of the 4,000 square metre Lidcombe industrial complex in December 2004.

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 \$70 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to \$100 million.