

ASX and Media release

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DESANE WELCOMES POLL FINDINGS AGAINST NSW GOVERNMENT'S COMPULSORY PROPERTY ACQUISITIONS

A new poll commissioned by Gillespie Cranes, on behalf of WestConnex impacted Rozelle businesses, including Desane Group Holdings Limited (ASX: DGH), has found a majority of NSW voters strongly oppose the State Government's compulsory acquisition of properties in the Rozelle area, costing the taxpayer tens of millions of dollars. The poll confirms NSW voters are increasingly concerned by a lack of transparency, fairness and fiscal responsibility as well as the general ineptitude of the NSW Government in delivering major infrastructure projects.

The poll, conducted by Crosby Textor in July 2017, sought the views of impacted inner west voters, alongside those in key State marginal electorates including Penrith, Oatley and East Hills. This was used to determine the implications and existence of risk of the compulsory acquisitions for the NSW Government in the current political climate. The quantitative poll (n = 1,500) had a 2.5% aggregate margin of error.

Key findings of the poll include:

- 68% of NSW voters oppose (50% strongly) the NSW Government's compulsory acquisition of properties on Lilyfield Road, Rozelle for a WestConnex staff car park
 - 62% of NSW voters believe the NSW Government should consider leasing the properties from the Rozelle businesses, rather than compulsorily acquiring them
 - 45% say the NSW Government has performed poorly in providing fair and adequate compensation for acquired properties and that the issue is now influencing their voting intention
 - 42% say the NSW Government is performing poorly in delivering major infrastructure projects with a view that projects such as WestConnex are being delivered "too little, too late"
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Gillespie's 5,300m² property at 80-84 Lilyfield Road, Rozelle has already been compulsorily acquired by the NSW Government as part of the planned Stage 3 WestConnex M4-M5 Link property acquisitions for the area, whilst Desane has undertaken proceedings in the Supreme Court of NSW, seeking relief that the NSW Government and its relevant agencies, Roads & Maritime Services ("RMS") and Sydney Motorway Corporation ("SMC") be restrained from acting upon their Proposed Acquisition Notice ("PAN") over its 5,274m² neighbouring property at 68-72 Lilyfield Road, Rozelle. A five-day hearing for the matter has been set for 20 November 2017.



Highlighted – the Desane property at 68-72 Lilyfield Rd, Rozelle (background) & Gillespie's property at 80-84 Lilyfield Rd, Rozelle (foreground) – total of 1.1ha. (SOURCE: WestConnex M4-M5 Link Concept Design | May 2017)

Commenting on the findings of the poll, Desane Chairman, Professor John Sheehan said:

“The polling clearly shows that voters across the Sydney metropolitan area have lost faith in the NSW Government’s ability to manage the delivery of major infrastructure projects such as WestConnex, particularly in relation to its regime of forced acquisitions. There is now real political risk for the NSW Government and its local MPs in following the advice of its agencies.”

“This is particularly pertinent, as one of its agencies – the RMS, wants to acquire Desane’s Rozelle property and has already acquired the neighbouring Gillespie property for a WestConnex staff car park, costing multiples of millions of dollars in compensation, even though the NSW Government could utilise its own land at the adjacent Rozelle Rail Yards far more efficiently for this purpose, importantly at no cost to the NSW taxpayer.

Voters also support Desane’s alternate solution to the NSW Government’s forced acquisition – a sensible, cost-effective leasing option which will curtail any further cost blow-outs and put an end to wasteful litigation costs.

The NSW Government has previously heeded feedback from the community and we now urge the NSW Premier to take notice of this polling which shows that NSW voters are **strongly opposed to these ‘land grabs’** by the Government.”

Professor Sheehan concluded:

“Desane is not seeking compensation. We maintain that the NSW Government should withdraw the PAN, enter into a commercial agreement with Desane for the use of the property for the duration of the project **to facilitate construction** of the Rozelle interchange, and allow Desane to retain ownership – for the sake of our staff, our shareholders and the wider NSW community, who shouldn’t be impacted by the Government’s mishandling of the WestConnex project.”

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ABOUT DESANE:

Desane Group Holdings Limited is a property investment and development business based in Sydney, with expertise in property acquisitions, investment, management, leasing, sales and development of industrial, commercial and residential properties. Desane has a disciplined “add value” property acquisition approach, which will deliver maximum shareholder value in the medium to long term.