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CHAIRMAN'S INTRODUCTION – TIM STOREY

Welcome to the annual meeting of DNZ Property Fund, and thank you for joining us.

My name is Tim Storey and I am an Independent Director and the Chairman of the Company.

Before we start the annual meeting, I would like to introduce the other directors and executives who are seated next to me.

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From my far right:

- Jennifer Whooley, Chief Financial Officer and Company Secretary
- John Harvey, Independent Director
- David van Schaardenburg, Independent Director
- Michael Stiassny, Independent Director
- Paul Duffy, Executive Director

I would also like to welcome:

- The Company's auditors, PricewaterhouseCoopers;
- Representatives of Computershare, the Company's share registrar; and
- The Company's solicitors, Bell Gully.
- We also have several members of the executive team here today.

Moving to the formalities of the Meeting, I record that Notice of the Meeting was duly given on 25 June 2012 and there is a quorum present. Accordingly, I declare the Meeting open.

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AGENDA

The order of events for this morning's meeting will be as follows:

- I will deliver a short address and that will be followed by a presentation on the Company's performance by the Chief Executive Paul Duffy and the presentation of the Annual Report and financial statements.
- Following those presentations, questions and comments from Shareholders will be taken.
- We will then move to the formal resolutions of the Meeting.
- And finally we will then attend to any general business.

After the meeting concludes, please join us for refreshments - the Directors will be available to discuss matters with you if you wish.

A. CHAIRMAN'S ADDRESS – TIM STOREY

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HIGHLIGHTS

It is with great pleasure that the Directors welcome you to this year's annual meeting of Shareholders – the second annual shareholder meeting since DNZ listed on the NZX in 2010.

As many of you will be aware, tomorrow - 16 August - is the second anniversary of our Company's listing and the internalisation of our management functions and I am pleased to observe that over the last 24 months, we've made considerable progress as a listed company.

When we listed on 16 August 2010, our share price was 0.97 cents and we were paying an annualised dividend of 8.0 cents a share.

Last night, our share price was \$1.55 and the Board has given guidance that for this current financial year (that's to 31 March 2013) we anticipate paying a cash dividend of 9.0 cents per share. As we move into a tax paying position this financial year there will be imputation credits attached to the taxable portion of dividends going forward.

Over the same period our management team has performed strongly, ensuring that our Company is in a robust position to meet the challenges of what continues to be a trying business climate. As Paul Duffy will detail shortly, our portfolio performance metrics for the year are outstanding; and our operational results in the current financial year – that is since 1 April - having been tracking in accordance with our budgets.

Overall, after 24 months as a listed entity DNZ is well recognised as a leading performer in the property investment market. When compared to our peers – other listed property entities – our operating performance is in the top quartile and our performance in terms of share price growth has been outstanding.

Turning to some specific comments with regard to the financial year ended 31 March 2012.

Operating profit before tax increased by 32% to \$28.8 million with net rental income of \$52.9 million, \$900,000 ahead of the previous year. Distributable profit¹ after tax was \$27.8 million that's 11.22 cents per share, up from \$21.9 million or 9.60 cents per share for the year ended 31 March 2011.

1 Distributable profit is a measure adopted by DNZ and is defined as net profit/(loss) before tax adjusted for non-recurring and/or non-cash items and current taxation. For a reconciliation of distributable profit after tax against net profit before tax see Note 8 to the financial statements of the DNZ Group for the year ended 31 March 2012.

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The portfolio property value remained stable with the Loan to Value Ratio at 40.6% and the Company remains well within all its banking covenants.

And of course an increased cash dividend of 8.5 cents for the 2012 financial year, with guidance given for a cash dividend of 9.0 cents for the 2013 financial year.

The net tangible asset value per share of \$1.53 remained comparable to the prior year of \$1.54.

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CAPITAL MANAGEMENT

Over the 2012 financial year DNZ implemented a range of capital management initiatives including:

- We sold \$51.9 million worth of assets, and utilised the proceeds to purchase four properties. Paul Duffy will discuss these transactions further in his presentation.
- The Company entered into \$105 million of forward starting swaps during the period which reduced the Company's exposure to interest rate volatility.
- The reduction of the Company's debt facility from \$350 million to \$300 million.
- A renegotiation of the \$300m term debt bank facility effective from 31 October 2011 in two tranches of \$150m fixed for terms of 3 and 4 years with reduced line fees & margins.

This has resulted in considerable cost savings, expected to be approximately \$2.0 million annually, with the weighted average cost of debt including margins and line fees at balance date being just 6.16%.

During the year we also undertook a modest share buyback programme.

These initiatives benefit our bottom line, and demonstrate the quality of our financial management. Shareholders will be pleased that our debt costs are amongst the lowest in the sector.

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DIVIDENDS

The 2012 financial year fourth quarter cash dividend of 2.2 cents per share, that we paid on the 21st of June, followed the increased cash dividends for the second quarter (increased from 2.0 to 2.1 cents per share) and the third quarter (increased from 2.1 to 2.2 cents per share) that we paid earlier in the year.

That means that for the full 2012 financial year Shareholders received an increased cash dividend of 8.5 cents per share.

You will recall that in May, the Board said it expected DNZ to continue to perform strongly throughout this financial year to 31 March 2013, and we provided market guidance suggesting a dividend of 2.25 cents a quarter, or 9.0 cents for the 2013 financial year.

I am pleased to confirm that this morning that the Board approved a cash dividend of 2.25 cents per share for the first quarter of the current financial year. This dividend will carry imputation credits of 0.603 cents per share and has a record date of 31 August 2012, with payment to be made on 13 September 2012.

This dividend payment is in keeping with the Board's long term approach of paying dividends that are broadly in line with the Company's operating cash flows.

As market commentators have observed, our dividend policy may be considered conservative compared to our peers, but it is both sensible and best practice. It ensures the Company remains in a strong financial position and is well placed to withstand continuing market turbulence while taking advantage of opportunities as they arise.

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DIVIDEND REINVESTMENT PLAN

On another note, we have introduced an updated Dividend Reinvestment Plan or DRP, where you as Shareholders can choose to reinvest all or part of your cash dividends in additional DNZ shares. Details of the DRP, including a summary of its key features, are set out in the Dividend Reinvestment Plan Document that was sent to you in late July. Just bear in mind that if you participated in any earlier plan then that's no longer valid so if you would like to participate in the updated DRP you will need to reapply.

The Board has today approved the implementation of this updated Dividend Reinvestment Plan (DRP) for this 2013 financial year first quarter dividend. A discount for the price of shares issued under the DRP has been set at 1% on the 5 day weighted average trading price of the shares, commencing on 1 September 2012 being the day following the record date.

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SUMMARY & OUTLOOK

In conclusion, we're very pleased to be well down the road with the process we started in 2010 aimed at reshaping DNZ as a listed entity with good governance and highly skilled management. Our purpose in all of this is of course for us as Shareholders to be confident we've invested in a Company that is well placed to thrive in any economic circumstance – be it challenging as it is

now, or more robust as we move through the economic cycle – a company that will look after our investment and pay a good return by way of dividend.

Our financial performance in the year ended 31 March 2012 demonstrates DNZ is well managed and governed, and the improvement in our share price reflects that the investment market shares that view.

Looking forward, the Company is well placed to deliver another strong performance in the 2013 financial year.

We also continue to look for opportunities to enhance the Company's position in the market, which means we will continue to re-position assets, acquire property and assess new opportunities and other initiatives that add value and further enhance the quality of our business.

I will now pass over to Paul Duffy for an overview of the operating performance of the Company.

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B. CHIEF EXECUTIVE'S ADDRESS

Powerpoint Presentation

Thank you, Tim and good morning ladies and gentlemen.

The 2012 financial year was another challenging year in a tough business environment, however, your management team at DNZ delivered an excellent result for Shareholders.

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Highlights include stable investment property values, concluding 189 lease transactions, an occupancy rate of 98.7%, weighted average lease term of 5.4 years, and the further de-risking

of the portfolio through divestment and acquisition activity undertaken by the management team during the 2012 financial year.

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PORTFOLIO SUMMARY

As you will see, the portfolio Key Performance Indicators as at 31 March 2012 and through to 30 June 2012 have remained solid with a Weighted Average Lease Term of 5.4 years and 5.6 years respectively, providing surety of contracted rental income, and of course DNZ's strong occupancy level approaching 99%.

The independent market valuations at year end resulted in the property portfolio value remaining stable. DNZ's property portfolio was valued at \$658.3 million at 31 March 2012 with the weighted average capitalisation rate across the portfolio remaining stable at 8.58%.

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ACQUISITIONS

Foodstuffs

Last October, DNZ purchased three Foodstuffs supermarkets in Napier, New Plymouth and Wellington for \$40.7 million. These properties have new 18 year leases that contain fixed annual increases, with market reviews every five years.

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Bunnings

In March this year, DNZ purchased the Bunnings warehouse at 2 Carr Road, Mt Roskill, Auckland, for \$24.5 million. This purchase complements the three Bunnings' warehouses already owned by DNZ in Hamilton, Rotorua and Palmerston North.

The quality of tenants such as Foodstuffs and Wesfarmers owned Bunnings, with 18 and 15 year lease terms respectively on the new properties, make these excellent additions to the DNZ portfolio.

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Corinthian Drive

On the 13th of August this year (Monday) DNZ unconditionally agreed to purchase an office building at 51 Corinthian Drive, Albany, Auckland for \$12.9 million. This is a 3,297m² three level office building (plus basement carparking) that will be fully occupied and will be 76% leased to Westpac under a new 9 year lease.

This is an excellent investment that has a new nine year lease to a quality anchor tenant, Westpac, in one of Auckland's major growth areas. DNZ has also entered into a conditional agreement to purchase a 1.4 hectare block of bare land that sits between the office building and 33 Corinthian Drive, which is owned by DNZ and occupied by ASB. This adjacent bare land provides a number of development opportunities.

Settlement on 51 Corinthian Drive is scheduled for 31 August 2012.

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DIVERSIFICATION BY SECTOR AND LOCATION

One of the strengths of DNZ is the Company's diversified portfolio both by sector and location. The strategy of maintaining a diversified property portfolio by sector and location softens the impact of any location specific events such as the Christchurch earthquake, or any sector specific valuation movements.

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DIVERSIFICATION BY TENANT

Diversification by tenant, and tenant quality, is also an important part of the equation. DNZ's top 10 tenants as at 31 March 2012 were Bunnings, Progressive Enterprises (Countdown), NZ Government, Fletcher Building, Foodstuffs (PAK'nSAVE & New World), ASB, Meridian Energy, Mitre 10, Lion and Westpac.

These 10 tenants represent 52% of the Company's total contract rental.

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SUSTAINABLE CASHFLOW - TENANT COMMITMENT

The lease transactions that were completed by the management team during the financial year not only increased DNZ's portfolio occupancy rate to one of the highest in the sector at 98.7%, but the portfolio's weighted average lease term increased to 5.4 years as at 31 March 2012, and has been increased further to 5.6 years as at 30 June 2012.

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SUSTAINABLE CASHFLOW – QUALITY OF TENANTS

To achieve this, the management team completed 189 lease transactions over 232,122m² during the 2012 financial year that included 96 rent reviews, 49 lease renewals and 44 new lettings for a total annual rental of \$38.6 million.

Following the 31 March 2012 balance date management renewed The Warehouse lease of the 6,433m² property at 35 MacLaggan Street in Dunedin for three years and a new lease has been completed on the 10,239m² warehouse facility at 20 Rockridge Avenue, Penrose, Auckland, with NZ Merchants for 8 years (break option at 4.5 years).

Progressive Enterprises waived its break option at Countdown, 230-240 Fenton Street, in Rotorua, and the leasing of the 12,665m² warehouse facility at 62 Columbia Avenue, Christchurch, to Value Tyres for a term of 10 years, with commencement on expiry of the existing tenant's lease, has also been completed.

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SUSTAINABLE CASHFLOW – LOW EXPIRY RISK

These transactions reduce the portfolio's risk profile over the coming 24 months, and are a direct reflection of DNZ's pro-active management approach, with the result that the remaining expiries due in the 2013 financial year as at 30 June 2012 represent less than 5% of the portfolio contract rental, with the 2014 financial year at 5.5%.

The key components of rental income growth in the portfolio are lease renewals and rental reviews. DNZ has a target of 25-35% of the portfolio's rental reviews being fixed or having a stepped increase at a review date, or being linked to an increase in inflation based on movements in the Consumer Price Index.

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SEISMIC REVIEW

Management is well advanced in completing seismic reviews of all DNZ's properties, with the safety of tenants and their customers being paramount in this process. Initial Evaluation Procedure reports are being completed on all properties within the portfolio that were built prior to 2000, with all office properties now undergoing Detailed Engineering Evaluations. As a further step, the office property at 7 Winston Avenue in Christchurch, is undergoing an intrusive structural investigation to provide as much engineering integrity analysis as possible.

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The Detailed Engineering Evaluations of DNZ's two Wellington office properties that were built prior to 2000, have received Grade "A" ratings under the New Zealand Society for Earthquake Engineering system, meaning these properties are "Low Risk" properties. The Meridian Energy building on Customhouse Quay, Wellington, has been confirmed by the Design Engineer for the building as having a Grade "A" rating.

As DNZ has 51 properties located throughout New Zealand, the seismic reporting process for the DNZ portfolio is expected to be completed by the third quarter of the 2013 financial year.

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PORTFOLIO RISK MANAGEMENT SUMMARY

DNZ is well placed with high occupancy rates and long-term contracted rental income streams with strong tenant covenants. Our quality property portfolio is diversified over the office, retail and industrial property sectors located throughout New Zealand and is supported by a proactive management approach.

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OUTLOOK

Looking forward the DNZ management team will continue its focus on the portfolio's occupancy levels and rental income streams for the 2013 and 2014 financial years, with a strategy of increasing ownership in the Auckland region, continuation of pre-development planning for Johnsonville Shopping Centre, management of the seismic review process with proactive management with tenant relationships paramount.

Although I believe the business environment will continue to be challenging, we have the people, systems and procedures at DNZ which enable the Company to continue to perform strongly to deliver sustainable returns to DNZ Shareholders.

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I would like to thank the management team for their hard work and dedication. I am proud of the capabilities of the team and value their contribution to the Company. I would also like to say thank you to the Board, Tim, John, Michael and David.

And finally special thanks to you, our Shareholders, whose support is critical to the Company. We will continue to work to enhance the income and capital value of your investment.

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[TIM STOREY] Thank you Paul.

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C. FINANCIAL STATEMENTS

I record that the annual report and audited financial statements for the year ended 31 March 2012 have been sent to Shareholders.

No resolution is required to be put to the meeting about the annual report or the financial statements but I will now open the meeting for questions about them or the Company's performance generally. Other issues can be addressed as General Business later in the meeting.

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I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak.

In addressing the Chair with questions would you please state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

If you have a question, there are Company representatives with cordless microphones in the aisles, please use these so we may all hear your question.

Q & A ON COMPANY PERFORMANCE

Do I have any questions from the floor?

QUESTIONS

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D. RESOLUTIONS

We will now consider the formal resolutions for the Meeting.

The resolutions for consideration today may only be voted on by Shareholders (either in person or by postal vote), proxy holders, and Shareholder company representatives.

I have been provided with a record of the valid proxies received. Proxy votes have been received from 560 Shareholders who among them hold *99.5 million shares (99,545,556 being the exact number)*.

Voting on all resolutions will be by poll. On a poll, each person voting at the meeting and each Shareholder who has cast a vote by proxy, has one vote for each share held. We will consider

each resolution and then vote on that resolution immediately after discussion has taken place and before moving to the next resolution.

To vote, you should tick the relevant box on your voting form in respect of the resolution being voted on.

If you did not bring your voting form with you, you should have been given a voting form at the registration desk on arrival. If you have been overlooked, please let one of the Computershare representatives know immediately.

There will be Company representatives in the aisles who will have pens available if you require one to complete your forms. On completion of the voting, your forms will be collected. When all voting forms have been collected, they will be taken to be counted by Computershare.

If you are both a Shareholder and a proxy holder or Shareholder company representative, please complete a separate voting paper for yourself and each other Shareholder you represent.

Each of the resolutions is taken as having being moved and no seconder is required.

I will open each resolution for discussion by Shareholders. As a courtesy to all Shareholders, can I ask you to please be as concise as possible with any questions.

I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak.

In addressing the Chair with questions would you please state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

The Board recommends that you **vote in favour** of each of the following resolutions. The resolutions will be binding on the Board and Company if passed.

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RESOLUTION 1

I move, as an **ordinary resolution**

“That PricewaterhouseCoopers be appointed as auditor of the Company on such terms as to fees and expenses as are determined by the directors of the Company”

Is there any discussion?

Thank you, voting on this resolution will be by poll please tick the relevant box on your voting form in respect of resolution 1

Note: Pause for people to complete voting papers.

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RESOLUTION 2

Resolution 2 – Appointment of director

I move, as an **ordinary resolution**

That Michael Peter Stiassny be re-elected as a director of the Company pursuant to clause 20.3 of the Constitution.

Is there any discussion?

Thank you, voting on this resolution will be by poll please tick the relevant box on your voting form in respect of resolution 2

Note: Pause for people to complete voting papers.

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RESOLUTION 3

Resolution 3 – Appointment of director

I move, as an **ordinary resolution**

That David Gregory van Schaardenburg be re-elected as a director of the Company pursuant to clause 20.3 of the Constitution.

Is there any discussion?

Thank you, voting on this resolution will be by poll please tick the relevant box on your voting form in respect of resolution 3

That completes voting on all resolutions. I will now ask for the voting papers to be collected in the boxes being circulated.

Note: Pause for voting papers to be collected.

Due to the number of votes to be counted, the votes collected at this meeting will be added to those received by post and the results will be compiled by the registry, Computershare. The results will also be published on the Company's website and provided to the NZX.

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E. GENERAL BUSINESS

I now move on to general business, and open the floor for questions or comments.

Again, I ask that in addressing the Chair with questions would you please state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak.

CHAIRMAN'S CLOSING

That completes the formal business of the meeting.

Thank you everyone for your attendance and participation this morning.

I formally declare this meeting closed.

Please join us for refreshments.

END

For Further Information Please Contact:

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DNZ Property Fund Overview

DNZ Property Fund Limited owns one of New Zealand's largest diversified investment property portfolios with commercial office, retail and industrial properties located in the main urban areas throughout New Zealand. As at 30 June 2012, DNZ Property Fund owned 51 properties with 252 tenants, a weighted average lease term (WALT) of 5.6 years and an occupancy rate of 98.6% over a net lettable area of 379,960m².

DNZ Property Fund Limited is a Portfolio Investment Entity in which investors hold shares and is managed by its own internal management team. DNZ Property Fund Limited also manages the \$105m property portfolio of Diversified NZ Property Fund Limited for Australian institutional investors.

DNZ's top 10 tenants as at 30 June 2012: Bunnings, Progressive Enterprises (Countdown), NZ Government, Fletcher Building, Foodstuffs (PAK'nSAVE & New World), ASB, Meridian Energy, Mitre 10, Lion and Westpac. These 10 tenants represent 52% of the Company's total contract rental.