

ANNUAL MEETING

22 JULY 2015



Agenda

A. CHAIRMAN'S ADDRESS

TIM STOREY
Chairman

B. CHIEF EXECUTIVE'S ADDRESS

PETER ALEXANDER
Chief Executive

C. FINANCIAL STATEMENTS

D. ORDINARY RESOLUTIONS

TIM STOREY
Chairman

E. GENERAL BUSINESS

A: CHAIRMAN'S ADDRESS

Highlights

(31 MARCH 2014 FIGURE IN BRACKETS)

Financial Summary

- Property portfolio value increased to \$872.4m, a net increase of 5.1%, or \$38.7m, on a like-for-like basis¹.
- Bank facilities drawn down of \$306m and bank Loan to Value Ratio of 35.1%.
- Net Tangible Assets² (NTA) per share increased twelve cents to \$1.81 (\$1.69), up 7.1%.

Net valuation
increase

5.1%

NTA
per share

\$1.81

¹ The valuations of all properties disposed of during the 12 months from 1 April 2014 have been disregarded in this calculation. As at 31 March 2014 and 31 March 2015, the portfolio was independently valued at \$780.2m and \$872.4m respectively.

² Excludes intangibles.

Highlights

(31 MARCH 2014 FIGURE IN BRACKETS)

Financial Performance

- Net rental income of \$57.2m (\$57.4m), down 0.2% after divestments.
- Corporate expenses of \$6.1m (\$9.0m), down 32.2%.
- Operating profit before other income and income tax of \$39.6m (\$35.0m), up 13.1%.
- Net profit after income tax of \$68.8m (\$41.6m), up 65.6%.
- Distributable profit¹ before income tax of \$40.3m (\$35.0m), up 15.1%.
- Distributable profit after income tax of \$32.1m or 10.80 cps (\$27.7m or 9.67 cps), up 15.9% on an aggregate basis.
- Cash dividend increased from 9.00 cps for the year ended 31 March 2014 (FY14) to 10.25 cps for FY15, up 13.9%.

Operating profit
before other income
& income tax up
13.1%

Distributable
profit before
income tax up
15.1%

10.25 cps
annual
dividend up
13.9%

¹ Distributable profit is a non-GAAP financial measure adopted by DNZ Property Fund Limited (DNZ) to assist DNZ and investors in assessing DNZ's profit available for distribution. It is defined as a net profit/(loss) before income tax adjusted for non-recurring and/or non-cash items and current tax. Further information, including the calculation of distributable profit and the adjustments to net profit before income tax, is set out in note 6 to the audited financial statements for the year ended 31 March 2015.

Highlights

Divestments and Developments

- Strategy to refocus our portfolio is well advanced.
- Divested \$32m of property in FY15.
- Post-balance date divested a further \$15m.
- Principal focus remains on the Auckland region.
- NorthWest Shopping Centre due to open on 1 October 2015.

**FY15
Divestments of**

\$32m

**Post balance date
further divestments of**

\$15m

Vision

Our vision is to build New Zealand's best performing listed property investment company, investing in the best places, managed by the best team, and, most importantly, delivering the best performance.

Dividends

- Dividend pay out policy of between 95% and 100% of distributable profit.
- Cash dividend for FY15 of 10.25 cps, up 13.9%.
- Target of at least 2.5% annual dividend growth.
- Expected total cash dividend for FY16 of at least 10.50 cps.

Dividend annual
growth of
2.5%
targeted

B: CHIEF EXECUTIVE'S ADDRESS

2015 Review

(31 MARCH 2014 FIGURE IN BRACKETS)

Financial

- NTA increased to \$1.81 (\$1.69), up 7.1%.
- Distributable profit after income tax of \$32.1m or 10.80 cps (\$27.7m or 9.67 cps), up 15.9% on an aggregate basis.

Portfolio

Overview	As at 31 Mar 2015	As at 31 Mar 2014
Properties	41	46
Tenants	281	292
Net Lettable Area (m ²)	334,694	364,916
WALT (years)	5.1	5.5
Occupancy Rate (by area)	96.6%	99.5%
Asset Valuation	\$872.4m	\$780.2m

Portfolio Contract Rental¹ by Sector

As at 31 March 2015

Industrial
19%

Office
31%

Bulk Retail
23%

Retail
27%

¹ Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to DNZ by that tenant under the terms of the relevant lease as at 31 March 2015, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 31 March 2015, and assuming no default by the tenant.

Development Projects



NorthWest Shopping Centre, Westgate, Auckland

- Opening date 1 October 2015.
- Gross floor area 34,000m² / Net lettable area 27,000m².
- Will feature approximately 110 tenancies, 1,200 car parks, an 8,000m² flagship Farmers department store and a 4,200m² Countdown supermarket.
- At balance date, construction 70% completed.
- Only two retail tenancies to be confirmed and seven office suites available.
- Net operating income yield on development costs, on completion of all leasing, expected to slightly exceed 7.75%.
- At balance date, value on completion appraised at \$170m.



Westgate Stage Two, Westgate, Auckland

- Comprises a further 7,500m² of retail, dining and office space.
- Expected to cost approximately \$35m and provide initial minimum yield of over 7%.
- Completion targeted for late 2016.
- To be funded from sale of non-core assets.

Development Projects



Johnsonville Shopping Centre, Wellington

- Located in growing catchment area that is under-served by retail facilities.
- Current review of development options hoped to be completed by late 2015.

Real Estate Investment Management (REIM)

- Pursuing opportunities in the area of REIM.
- DNZ manages Diversified NZ Property Fund Limited:
 - receives management fee income for managing its assets;
 - restructuring Diversified NZ Property Fund with its existing investors to enable easier access for new investors.
- Expansion of our REIM business may include:
 - growth of Diversified, or
 - establishment of new funds and investment structures.

Strategy

‘Rewarding Places’ ensure ongoing value to tenants, staff, visitors and investors connected with our properties.

‘Enduring Demand’ delivers sustainable revenue streams throughout changing market conditions.

- To be the best, our places need to provide accessibility, amenity, functionality, and a value proposition that is compelling.
- It is a combination of location, building design, and management style that will ensure our places are always in demand.
- Aim of delivering dividend growth through underlying distributable profit growth from an efficient, results-oriented company.

Year Ahead

- DNZ looks forward to a sustained period of distribution growth.
- Completion of NorthWest Shopping Centre.
- Continue targeted divestment programme.
- Seek opportunities to grow REIM business.
- Continue to have an acute focus on key areas that will deliver the greatest returns to shareholders in the 2016 financial year and beyond.

C: FINANCIAL STATEMENTS

Financial Statements

Questions on the financial statements
for the year ended 31 March 2015?

D: ORDINARY RESOLUTIONS

Resolution 1

Resolution 1 – Re-appointment of auditor

“That the re-appointment of PricewaterhouseCoopers as auditor of the Company be recorded and the directors be authorised to fix the auditor’s fees and expenses.”

Resolution 2

Resolution 2 – Appointment of director

“That Timothy Ian Mackenzie Storey be re-elected as a director of the Company pursuant to clause 20.3 of the Constitution.”

Resolution 3

Resolution 3 – Appointment of director

“That Edward John Harvey be re-elected as a director of the Company pursuant to clause 20.3 of the Constitution.”

Resolution 4

Resolution 4 – Increase to aggregate Directors' fee pool

“That, with effect from the start of the financial year commencing on 1 April 2015 (FY16), the aggregate Directors' fee pool (being a monetary sum per annum limit payable to all directors) for the Company, pursuant to Listing Rule 3.5.1(a) be increased from \$450,000 to \$625,000.”

E: GENERAL BUSINESS



THANK YOU

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