

27 January 2012

DNZ PROPERTY FUND LIMITED  
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**THIS DOCUMENT IS IMPORTANT.**

**When considering what action you should take, you are recommended to seek your own independent financial advice from your financial adviser.**

To: New Zealand resident DNZ Shareholders holding 15,000 shares or less

Dear Shareholder,

**SHARE SALE SERVICE FOR NEW ZEALAND RESIDENT DNZ SHAREHOLDERS**

We are aware that a number of shareholders who may be considering the sale of their DNZ shareholding do not have a broker relationship. Brokerage costs charged by brokers and regulatory requirements in setting up a broker account can deter or in some cases prevent shareholders from selling. This special share sale service is being made available through Computershare Investor Services Limited ("Computershare") to enable you to sell all of your shares in DNZ Property Fund Limited ("DNZ"), free of normal brokerage costs and without the need for you to establish an account with a NZX broker. This offer is being extended to New Zealand resident holders of 15,000 or fewer DNZ shares.

Neither DNZ nor its Directors are making any recommendation that you should make use of this service, nor are they suggesting that this is an appropriate time or period in which to sell. If you are in any doubt as to the action you should take, you should consult an appropriate financial adviser.

**Shareholders should note that the use of the share sale service is entirely voluntary. If you wish to use this share sale service to sell all of your shares, please read the rest of this letter and then complete and return the attached Share Sale Service Form. If you do not wish to use this service, you need not take any action and can disregard this letter.**

**This service is intended only to be available for a limited period up to 5pm on Thursday, 23 February 2012, however DNZ reserves the right to extend this period or to close the service early.**

**THE SERVICE**

Between 10am, 30 January 2012 and 5pm on Thursday 23 February 2012, Computershare will accept instructions, subject to the terms and conditions set out in the Share Sale Service Form, to sell your shares on the NZSX for nil commission. This service is offered by Computershare on an execution only basis, no advice will be given as to the merits of any sale and no

undertakings will be given in respect of the price at which your shares will be sold for on the NZSX or the specific date on which your shares will be sold. Further, no assurance can be given that any or all shares offered through the Share Sale Service will be sold.

**The number of shares registered in your name on 26 January 2012 is shown on the Share Sale Service Form accompanying this letter.**

If you wish to use this service, you should complete and sign the attached Share Sale Service Form, and return it to Computershare. The form should be sent to Computershare Investor Services Limited at Private Bag 92119, Auckland 1142, New Zealand so as to arrive at the latest by 5pm on Thursday 23 February 2012.

Computershare will aggregate your selling instruction, together with the other selling instructions they receive under the Share Sale Service, and will arrange to sell the aggregate number of shares for which it has received instructions in "batches" on at least a weekly basis. The Share Sale Service will open on 30 January 2012. All sales will be arranged by Computershare and traded on the NZSX through Goldman Sachs New Zealand Limited. The price which you will receive for your DNZ shares sold through the Share Sale Service will be the average price for all DNZ Shares sold on the NZSX as part of the same batch.

#### **SETTLEMENT**

Within five business days of the sale of your shares, it is expected that Computershare will send you a notice confirming the sale details and the payment of the proceeds of the sale. Payment will be made to the bank account to which your dividends are currently being paid. Alternatively if you prefer in this instance to receive a cheque you may indicate this on the form.

#### **THIRD QUARTER DIVIDEND MARCH 2012**

If you use this service, and your holding is sold, you will not be entitled to any dividend for the third quarter of the current financial year (if such dividend is declared it is expected that it would be paid in March 2012).

#### **SALE PRICE**

It is not possible to predict the price at which Computershare will arrange to sell your shares under this service or the price you will receive for your shares. Shares will be sold on-market on a "best endeavours" basis meaning that your shares will be sold as soon as possible on the NZSX in a manner that does not materially affect DNZ's share price.

For your guidance only, you may wish to note that on 26 January 2012 (the last practicable date before the printing of this letter) the closing price of the shares in DNZ, on the NZSX, was \$1.29 per share. However, please note that share prices fluctuate and you will receive the sale price for your shares as set out above.

Yours faithfully,

**DNZ Property Fund Limited**



**Tim Storey**  
Chairman



Property Fund

# Share Sale Service Form

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES YOU DO NOT NEED TO DO ANYTHING WITH THIS FORM**

This Share Sale Service Form is for the sale of ordinary shares ("Shares") in DNZ Property Fund Limited ("DNZ" or the "Company")

As a New Zealand resident DNZ shareholder ("Shareholder") you can apply to sell your entire holding using the Share Sale Service.

If you wish to apply to sell your Shares through the Share Sale Service sign the form below where indicated, and send it in the reply-paid envelope, to Computershare, in time for it to be received before 5.00pm on Thursday, 23 February 2012 or any amended closing date.

This document is important. If you have any questions in relation to the Share Sale Service, please consult your financial adviser.

## 1. SHARES TO BE SOLD

Current Shareholding as at 26 January 2012 in DNZ

## 2. PAYMENT

Payment of the proceeds of the sale of Shares sold through the Share Sale Service will be paid by direct credit to the bank account to which your dividends are currently being paid. Alternatively if you would prefer in this instance to receive a cheque please tick the box below.

Please send me a cheque  (tick one box)  
Please pay by direct credit (default if no boxes ticked)

## 3. DECLARATION AND SIGNATURE

I/We understand or confirm that:

- by signing below I/we hereby instruct Computershare Investor Services Limited ("Computershare") to sell my total holding shown above under the Share Sale Service on the terms and conditions set out on the reverse of this Share Sale Service Form;
- I/we do not have material information in relation to DNZ which is not generally available to the market and which would, or would be likely to, have a material effect on the price of the Shares if it were generally available to the market;
- none of DNZ, Computershare or Goldman Sachs New Zealand Limited (the "Broker"), or any of their respective officers, employees or advisors, nor any other person, represents that the Shares will be sold at all;
- Shares submitted for sale through the Share Sale Service and this Share Sale Service Form cannot be withdrawn from sale;
- the price I/we will receive for my/our Shares sold under the Share Sale Service will be the weighted average price of Shares sold on the NZSX pursuant to orders received from participants in the Share Sale Service and processed as part of the same batch as determined by the Broker;
- if our Shares are sold, I/We will not be entitled to any dividend for the third quarter of the current financial year (if such dividend is declared it is expected that it would be paid in March 2012);
- I am/we are authorised to sell my/our Shares;
- any buyer of my/our Shares will acquire good title to the Shares and full beneficial ownership of them free from all interests (whether legal or equitable) and restrictions on transfer of any kind;
- any person nominated by DNZ for this purpose may sell my Shares and I/we authorise Computershare as agent of DNZ to disclose my/our Shareholder number to such nominee;
- none of the Company, Computershare or the Broker is making any recommendation or providing any financial advice to me/us in connection with the sale of Shares;
- the Company will not acquire any legal or equitable interest in my/our Shares in connection with the Share Sale Service.

**NO ASSURANCE IS GIVEN THAT ANY OR ALL SHARES OFFERED FOR SALE THROUGH THE SHARE SALE SERVICE WILL BE SOLD**

Dated this  day of  2012

Signed

Signed

Signed

Signed

**ALL SHAREHOLDERS MUST SIGN**

# Share Sale Service Terms

1. By signing the Share Sale Service Form, the DNZ Shareholder elects to sell Shares upon and subject to the terms and conditions set out in the Share Sale Service Form.
2. The Share Sale Service opens at 10:00am on 30 January 2012 and closes at 5:00pm on Thursday 23 February 2012. DNZ reserves the right to shorten, extend or modify the length of time the Share Sale Service is open or to terminate the Share Sale Service. Applications that are received after closing of the Share Sale Service may not be accepted.
3. Your Share Sale Service Form will not be valid if the name(s) printed on it is crossed out and another name(s) substituted.
4. The Share Sale Service is open to all New Zealand resident DNZ shareholders who are shown on the register to hold (in combination or singly) 15,000 Shares or less. DNZ Shareholders can elect to sell their total holding only, to a maximum limit of 15,000 Shares.
5. No Shareholder who has material information in relation to DNZ which is not generally available to the market and which would, or would be likely to, have a material effect on the price of the Shares if it were generally available to the market, may participate in the Share Sale Service.
6. By completing the Share Sale Service Form and returning it, a Shareholder irrevocably agrees to sell, through the Share Sale Service their total holding and authorises the Company to execute any instrument and take any other steps necessary to transfer their Shares or otherwise give effect to the sale of their Shares.
7. You will not be liable to pay any brokerage or handling fees for the sale of your Shares under the Share Sale Service. However, any other tax or charge on the sale of your Shares will be for your account.
8. You represent and warrant to any buyer of your Shares that the buyer will acquire good title to your Shares and full beneficial ownership of them free from all interests (whether legal or equitable) and restrictions on transfer of any kind.
9. Payment of the proceeds of the sale of Shares sold through the Share Sale Service is expected to be sent to selling Shareholders by Computershare within five Business Days of any Shares being sold by direct credit to the bank account to which your dividends are currently being paid unless you have indicated on the front of this form to receive a cheque. All proceeds will be paid in New Zealand dollars.
10. None of DNZ, the Broker or any of their respective officers, directors, employees, or advisors gives any assurance that the Shares will be sold at all.
11. Different participating Shareholders in the Share Sale Service may receive different sale prices for Shares. You acknowledge you will have no claim against DNZ, the Broker or Computershare in respect of the price your Shares are sold for, or the specific date on which your Shares are sold.
12. Computershare will process Share Sale Service Forms received by it as soon as practicable after receipt but may aggregate valid application forms in respect of two or more participating Shareholders to form batches of Shares to be sold on the NZSX.
13. You acknowledge that the Broker may, at its sole discretion and notwithstanding anything to the contrary in these terms, delay the sale of some or all of the Shares to be sold, if it considers that to be in the best interests of all DNZ Shareholders (for example, if because of low liquidity in the shares) to avoid an excessive concentration of selling on a particular trading day.
14. If your Share Sale Service Form is not completed correctly, it may still be treated as valid. The Company's decision as to whether to treat your election to sell Shares under the Share Sale Service as valid, and how to construe, amend or complete your Share Sale Service Form, shall be final.
15. The Company reserves the right for any reason to withdraw, cancel or modify the obligations to arrange the sale of your Shares at any time. This includes the right to refuse to action, or to reject, your Share Sale Service Form for any reason, including if DNZ, the Broker or Computershare considers that processing your application may breach any law applicable to them.
16. You acknowledge that none of DNZ, the Broker or Computershare nor any other party involved in the Share Sale Service has provided you with any investment advice, or has any obligation to provide this advice, concerning your decision to sell your Shares under the Share Sale Service.
17. The Company's decision on the number of Shares to be sold under the Share Sale Service shall be final.
18. This Share Sale Service Form, and any contract formed therewith, is governed by New Zealand law. This Share Sale Service is not offered to Shareholders who live in places other than New Zealand.
19. Read the declaration carefully and SIGN the Share Sale Service Form. It must be signed by Shareholders or by an appointed agent. Companies or other bodies corporate must sign in the same way as they would sign a formal deed or other formal legal document. Share Sale Service Forms may, in either case, be executed by an attorney/agent. If your Share Sale Service Form is signed by an attorney/agent, the power of attorney/agent document is not required to be lodged, but the attorney/agent must complete the certificate set out below. Joint Shareholders must all sign the Share Sale Service Form.
20. Share Sale Service Forms under the Share Sale Service must be mailed or delivered to:  
DNZ Share Sale Service, C/- Computershare Investor Services Limited, Private Bag 92119, Victoria Street West, Auckland 1142  
Please lodge your Share Sale Service Form AS SOON AS POSSIBLE.

## Certificate of Non-Revocation of Power of Attorney / Agent

Select representation: (please tick ✓ where applicable): Power of Attorney  Agent

I,  of , (occupation)  hereby certify:

THAT by deed dated the  day of ,

(Name of person for whom attorney/agent is signing)  of  appointed me his/her/its attorney/agent.

THAT I have executed the Share Sale Service Form as attorney under that Power of Attorney / agreement and pursuant to the powers thereby conferred upon me.

THAT I have not received notice of any event revoking the Power of Attorney / agreement.

Signed at  this  day of  2012

Signature of Attorney / Agent