

CHAIRMAN'S INTRODUCTION – TIM STOREY

Welcome to the annual meeting of DNZ Property Fund Limited, 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.

DIRECTORS & SENIOR EXECUTIVES

From my far right:

- Jennifer Whooley, Chief Financial Officer and Company Secretary
- John Harvey
- Michael Stiassny
- David van Schaardenburg
- Michelle Tierney
- Peter Alexander, Chief Executive

I also 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 senior executive team here today.

- Roy Stansfield, GM Retail
- Steve Lewis, National Manager Retail Development
- Andrew Hay, Portfolio Manager
- and Phil Littlewood, Manager, Real Estate Investment Management

Moving to the formalities of the meeting, I record that Notice of the Meeting was duly given in accordance with the Company's constitution and there is a quorum present. Accordingly, I declare the Meeting open.

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 from the Chief Executive, Peter Alexander.
- Peter will then take us through the Company strategy and our plans for the year ahead.
- Following those presentations, questions and comments from Shareholders will be taken in relation to the Annual Report and financial statements.
- 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 and senior executive team will be available for informal discussions.

A. CHAIRMAN'S ADDRESS - TIM STOREY

It is with great pleasure that the Directors welcome you to this year's annual meeting of Shareholders.

The Company has had another successful year marked by further transition and improvement.

I would like to congratulate the management team, now led by our new CEO, Peter Alexander, and thank them for their efforts.

HIGHLIGHTS 2014

Firstly looking at the Company's performance, for the year ended 31 March 2014: -

- We saw net rental income increase 7.2%, an increase of nearly \$4 million, from \$53.5 million to \$57.4 million. This was substantially driven by the acquisition of the Silverdale Centre.
- Operating profit before other income and income tax rose \$3.6 million from last year's \$31.3 million to \$35.0 million this year, an increase of 11.6%.
- The value of the property portfolio increased to \$780.2 million. That was an increase of 2.5%, or \$18.7 million, on a like for like basis over the twelve month period.
- Distributable profit before income tax was up \$5.2 million on last year to \$35 million, a lift of 17.4%
- Distributable profit after income tax was \$27.7 million or 9.67cps, an increase of 15.7% on an aggregate basis. In dollar terms, this was an increase of \$3.8 million.
- At year end, bank facilities drawn down were \$268 million, and the bank Loan to Value Ratio was 34.4%.
- The Net Tangible Assets or NTA value per share increased seven cents to \$1.69.
- The new acquisitions of the Silverdale Centre and Westgate land were funded by a combination of asset sales, bank debt and a \$69.8 million Private Placement and Share Purchase Plan.
- Our occupancy rate was steady at 99.5% - in effect, little changed from the previous year. Our Weighted Average Lease Term (WALT) increased from 5.2 years to 5.5 years.
- Construction of the new regional shopping mall at Westgate commenced, and I can confirm that the project is on target with over 70% of the forecast rental already pre-committed.
- We commenced a divestment program that will see a repositioning of the Company's portfolio into growth oriented assets, such as our Westgate Mall.

Since DNZ emerged as a listed Company in 2010, your Board has been focused on a deliberate plan to progress the performance and prospects of the Company.

As part of that progression, during the last financial year, the Board undertook and implemented the appointment of a new Chief Executive Officer, Peter Alexander. Peter's appointment as CEO arose out of the Board's determination to drive long term value for Shareholders and he comes to DNZ with a strong track record in the property sector, and particularly the listed property sector.

Peter joined us in December from Auckland Airport, where he was the General Manager of Property. Peter oversaw a very successful property development and investment portfolio there, building on his already substantial experience with some of New Zealand's leading property organisations. He brings fresh ideas and a new approach to DNZ's business.

A further Company initiative has been to review our investment strategies and management structure. Since starting late last year, Peter has been working closely with the Board to reframe our strategy and vision for the Company. This has included a review of the way we manage the business, while continuing to ensure we have appropriate resources to meet our objectives and continuing our focus on investment performance. The outcome of that review will save over \$1 million in overheads per annum, and has other indirect benefits.

The reframing of our strategy and vision has also been a significant focus for Peter, the management team and the Board. We own a diversified portfolio, and the intention is for that to continue. Retail, industrial and office properties all take their turns in the spotlight, and we believe it is important we work across all three sectors in the long term to diversify exposure to a wider cross-section of the economy in different property market supply cycles and to maximise flexibility to invest in a range of opportunities in a tightly held market.

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.

We use the term "Place" deliberately. We believe the core determinant of property investment performance over the long term is the demand for the business space that we provide to our customers.

Ultimately that space is a work place, a place of business; it is used by our customers, their staff, their visitors and their customers. 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 always have the strongest demand in all market conditions – we refer to it as "Enduring Demand".

I will leave Peter to explain in more detail, but in essence, we have a long term vision for the Company that provides a clear view of the type of properties to invest in with a view to a long term, sustainable dividend growth path.

And finally, another focus for the board of late has been to review the composition and skillset of the Board of Directors. As a result, earlier in the year we appointed a new non-executive Board member, Michelle Tierney. Michelle is a highly experienced property professional based in Australia. She holds a senior management position with a leading ASX50 property group and brings to our Board complementary skills and experience in funds management, property and asset management, general management and strategy development as well as a wider Australasian perspective on the trends, opportunities and issues confronting our business. Michelle was appointed to the Board by Directors during the year, and accordingly she stands for election today.

DIVIDENDS

I turn now to some comments on our dividend policy.

The Company's long term policy is to pay dividends that are broadly in line with the Company's operating cash flows. That is, between 95-100% of distributable profit. This has been described as conservative by some, but in the Board's view it is both prudent and good practice, and ensures the Company remains in a strong financial position, well placed to take advantage of opportunities as they arise.

We also have a strategy to take full advantage of growth in the economy and the New Zealand property market, which for DNZ, manifests in a forecast sustainable growth in distributable profit.

For the fourth quarter of the year to 31 March 2014, the Board approved a cash dividend of 2.25 cents per share, resulting in a full year cash dividend paid to Shareholders of 9.0 cents per share.

Subsequently, on 12 August 2014, we announced the first quarter dividend for the 2015 financial year at 2.375 cents per share, a 5.56% increase on the previous quarter's dividend, in the expectation of a full year dividend of 9.5 cents per share.

After careful review, we are confident that DNZ can continue to deliver a positive dividend growth path. As part of our strategy, we are targeting a minimum annual dividend per share growth of 2.5%. That target takes into account current market conditions and outlook, portfolio review and expiry profile, completion of the Westgate project and planned divestment activity, and is based on the current distribution policy.

The Dividend Reinvestment Plan (or DRP) was suspended for the fourth quarter dividend for FY14 and more recently for the first quarter dividend for FY15. The Board believes that the DRP is a very useful capital management tool and intends to maintain the DRP in place to provide choices, should the need for further capital arise. At the present time, the Company has some well-defined capital requirements and a plan to meet those requirements from a combination of debt and property divestment; accordingly we do not currently anticipate the need to raise new capital through the DRP.

CONCLUSION

With a skilled management team in place, a strong vision for the future, and a plan to grow shareholder value, the Board is very confident that the Company is well positioned to take advantage of growth opportunities both from within and outside the current portfolio. The team is committed to its vision and delivering outstanding returns to its Shareholders.

I will now hand over to Peter to take you through the prior year's performance in more detail and to outline our forward strategy.

B. CHIEF EXECUTIVE'S ADDRESS – PETER ALEXANDER

Thank you, Tim and good morning ladies and gentlemen.

This morning I am going to talk to you about the Company's performance and activity over the last period, I will elaborate further on the strategy, and then briefly close with a look at the year ahead.

2014 Review

Financial

Tim has reviewed the key financial outcomes from the 31 March 2014 year, but I would like to highlight the 4.3% or seven cent increase in Net Tangible Asset backing per share and the distributable profit per share, which was slightly ahead of the previous year.

The improvement in NTA reflects a number of factors, including a generally buoyant property market and some excellent outcomes from asset management and development initiatives that have added value across the portfolio.

Maintaining distributable profit per share was also creditable, given it came during a period in which the Company raised capital and incurred costs associated with the CEO transition and organisational restructure. The Company will be seeing the fruits of this activity in future years as the cost savings and new revenues start to benefit the bottom line.

Operations

As mentioned previously, the Company undertook an operational review and organisational restructure during the period. This resulted in a reduction of full time equivalent employees by approximately 15% and savings in fixed annual remuneration in the order of \$1 million per annum with the full effect of the savings commencing from FY16.

In making the changes, we took particular care to ensure that Company is fully resourced to continue business as usual activity, as well as successfully deliver important initiatives such as the Westgate project.

Portfolio

Reflecting not only New Zealand's generally growing economy, but also a very active management style, the portfolio has performed well during the period. Occupancy was maintained at over 99% and the Weighted Average Lease Term, or WALT, was increased to 5.5 years.

As mentioned earlier, DNZ is, and intends to continue to be, a diversified investor, investing across the established investment sectors of office, industrial and retail. While long term investment performance across the three sectors tends to be fairly closely correlated, we like the broad exposure that a diversified approach provides to a wider cross-section of the economy in different property market supply cycles and to give greater flexibility to invest in a range of opportunities in the tightly held New Zealand property market.

As at March 2014, 47% of the portfolio is invested in retail, split between shopping centres at 25% and bulk retail assets at 22%. The balance is 31% office and 22% industrial. The weighting to retail assets will increase as we deliver the Westgate Mall in October 2015. We remain comfortable with this position.

As at March 2014, the portfolio consisted of 46 individual properties, leased to 292 tenants. Of those tenants, the ten largest include the Government, national retailers, banks and major listed Companies, such as Meridian Energy and Fletcher Building, collectively providing 50% of contract rental income. The combination of a diverse tenant base, long Weighted Average Lease Term, and a spread of individual properties provides a defensive investment that should grow in good times and hold value in challenging conditions.

Acquisition & Divestment

During the period, two retail assets were acquired, the Silverdale Centre for \$78 million and the Zone 5 land at Westgate for \$25 million.

The Silverdale Centre comprises 7 hectares of land and net lettable area of almost 23,000 square metres. It is part of the Silverdale town centre under the proposed Auckland Unitary Plan, and in an area identified for further growth and intensification.

During the period, three properties located in Wellington and one in Christchurch were sold, with combined net sale proceeds of \$18.8 million. The Company plans to sell approximately \$50 million over the coming months to fund the Westgate development. That work is ongoing, and to date two properties have been sold, with net sale proceeds of \$7 million. We are comfortable that our planned divestment schedule is on track for successful completion.

Development

The Company's development activity is focussed on the Westgate project. Progress on site is advancing well and leasing activity is on track. As Tim mentioned earlier, over 70% of forecast contract rental has been committed. The anchor tenants that we announced in April, Countdown and Farmers, will be joined by a range of leading specialty retailers representing fashion, personal grooming, and giftware, as well as food and beverage outlets, and services such as travel agency, banks and dry-cleaning.

On completion, the total centre will comprise a net lettable area of 27,000 square metres, in the order of 90 retail shops and 1,139 car parks.

Our second large retail development initiative is Johnsonville Mall. Last year the Company deferred the redevelopment project. The economic and retail environments have changed since that project was originally conceived, and it is prudent to take the opportunity to review the project. That review has commenced and early next year we should start to draw some conclusions. The site represents a strong opportunity; it is strategically located, in a growing catchment area, which is currently underserved by retail facilities. In the meantime, the property is almost fully occupied and delivers an adequate holding return.

In addition, work is continuing on the 5.2 hectare O'Rorke Business Park, an industrial complex in Auckland's Penrose. During the year, design/build facilities were completed on time and within budget for Hydraulink and AA Insurance. Work also commenced on a facility for Capital S.M.A.R.T Repairs New Zealand, leaving just 7,600 square metres of land available for development.

STRATEGY

As Tim outlined earlier, 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.

Our strategy is to target property that attracts the highest demand through all market conditions - because it meets the needs of our customers, their staff, their visitors and our customers' customers.

We have been looking at the attributes that drive strong investment performance from investment property. Those attributes vary depending on the sector and the market, but it is a combination of accessibility, amenity, functionality and a value proposition that is compelling. It boils down to location, building design and management style. We are building a portfolio of places with enduring demand, that attract the highest demand in all market conditions.

In order to deliver on our strategy, we are focussed on developing and applying our expertise in four core competencies: -

Informed Decision-making - investment decisions that are based on market insight, research and experience.

Capital Management - optimising capital invested and the return on capital invested.

Stock Selection - fine tuning our investment process to retain, acquire and develop, over time, the best places that attract enduring demand.

Skilful Management - developing and deploying the skill of our team to deliver the best places and best investment performance.

Within the bounds of our adopted strategy, we will continue to look at development opportunities which are well founded and can be completed with an adequate/acceptable risk/return profile. We will also look for opportunities to grow our funds management business. This vision is an aspiration and a long-term goal, we have a clear objective and a plan to achieve it.

YEAR AHEAD

The year has started with promise, backed by a growing economy and active commercial property market. Activity over the next 12 months will be strongly focussed on delivering Westgate - fully leased and open for business in October 2015. We will also be actively divesting non-core assets to fund the project and new opportunities, as well as evaluating options for the future of Johnsonville Mall, all within our overall objective of implementing our investment strategy and delivering dividend and asset value growth for our Shareholders.

I will now hand you back to Tim for the formal business of the meeting.

ANNUAL MEETING FORMAL BUSINESS - TIM STOREY

C. FINANCIAL STATEMENTS

Thank you Peter for outlining last year's operating performance and our forward strategy.

Now to the formal business of the meeting.

I record that the annual report and audited financial statements for the year ended 31 March 2014 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.

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?

D. ORDINARY 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 427 Shareholders who among them hold 115 million shares (114,546,181 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 require a voting form, please let one of the Computershare representatives know now.

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.

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?

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 Resolutions one to four. All of these resolutions are ordinary resolutions and will be binding on the Board and Company if passed.

As you are aware there are four resolutions to be put to the meeting. The first is in relation to the re-appointment of auditors, the following three in relation to the reappointment of Directors. Background details in relation to each resolution, including details of each of the Director candidates is included in the meeting information previously distributed to Shareholders.

Resolution 1 – Re-appointment of auditor

Resolution 1, I move:

“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.”

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.

Resolution 2 – Appointment of director

Resolution 2, I move:

“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.

Resolution 3 – Appointment of director

Resolution 3, I move:

“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.

Resolution 4 – Appointment of director

Resolution 4, I move:

“That Michelle Patricia Tierney be 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 4.

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

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 registrar, Computershare. The results will be provided to the NZX and published on the Company’s website after the meeting.

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 now 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 \$773.35 million* (as at 30 June 2014) of commercial office, retail and industrial properties located in the main urban areas throughout New Zealand. As at 30 June 2014, DNZ Property Fund owned 45 properties with 291 tenants, a weighted average lease term (WALT) of 5.5 years and an occupancy rate of 99.21% over a net lettable area of 358,207m².

DNZ Property Fund Limited is a Portfolio Investment Entity in which investors hold shares and is managed by its own internal management team. DNZ is also the manager of Diversified NZ Property Fund Limited, a \$115.9 million (as at 31 March 2014) commercial property fund.

DNZ's top 10 tenants as at 30 June 2014: Bunnings, Progressive Enterprises (Countdown), Foodstuffs (PAK'nSAVE & New World), ASB, NZ Government, Fletcher Building, The Warehouse, Westpac, Meridian and Lion. These 10 tenants represent 51% of the Company's total contract rental.

* 31 March 2014 valuations less assets sold post 31 March 2014 balance date.