

7 October 2010

<<Mailing Name>>  
<<Address Line 1>>  
<<Address Line 2>>  
<<Address Line 3>>  
<<Address Line 4>>  
<<Address Line 5>>  
<<Postcode>>

**DNZ PROPERTY FUND LIMITED**  
Level 4, 80 Greys Avenue,  
Auckland 1010  
PO Box 6320, Wellesley Street,  
Auckland 1141, New Zealand  
Telephone: +64 9 912 2690  
Fax: +64 9 912 2693  
www.dnzproperty.com

**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: DNZ Shareholders holding 25,000 shares or less

Dear Shareholder,

### **COST FREE SPECIAL SHARE SALE SERVICE FOR DNZ SHAREHOLDERS**

One of the objectives of the listing of DNZ Property Fund Limited (“DNZ” or “the Company”) on the NZX was to provide liquidity for shareholders who wished to sell their investment in the Company.

We are aware that a number of shareholders who are considering the sale of their DNZ shareholding don’t have a broker relationship. The level of brokerage costs charged by brokers and regulatory requirements to set up a broker account can deter or even prevent shareholders from selling. Therefore this special share sale service is being made available to enable you to sell all of your shares in DNZ Property Fund Limited, free of any costs or commission and without the need for you to establish an account with a NZX broker.

DNZ has accordingly arranged with its registrar, Computershare Investor Services Limited (“Computershare”), for Computershare to provide a **one-off cost free** share sale service to holders of 25,000 or fewer DNZ shares to allow these shareholders to sell their entire holding if they would like to do so.

Neither DNZ nor its Directors are making any recommendation that you should make use of this service to sell your shares in DNZ, 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 not compulsory. 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 read any further.

**This service is intended only to be available for a limited period up to Thursday, 4 November 2010, however DNZ reserves the right to extend this period.**

### **THE SERVICE**

Between now and 4 November 2010 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 4 October 2010 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, 4 November 2010.

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 8 October 2010. All sales will be arranged by Computershare and traded on the NZSX through Goldman Sachs & Partners 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.

#### **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 6 October 2010 (the last practicable date before the printing of this letter) the closing price of the shares in DNZ, on the NZSX, was \$1.14 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