

## PRESS RELEASE

Auckland, 3 April 2009

# ING Property Trust announces property portfolio revaluation.

ING Property Trust (NZX code: ING) today announced a total unaudited revaluation of its property portfolio, completed by DTZ New Zealand, Colliers International, and Jones Lang LaSalle. The result was a decline of 8.3% or approximately \$85 million including the \$14 million loss recognised at 30 September 2008 as a result of the interim revaluation review. The decrease is driven by softening yields and lower expectations of future rental growth as a result of the global downturn and the continuing domestic recession.

“In the current environment there was potential for a value decline as seen with other listed property entities. The result is generally in line with the sale prices achieved in the 16 property sales completed over the last few months ” said Michael Smith, Chairman of ING Property Trust Management Limited, the manager of the Trust.

Independent valuation practices conduct a valuation of the Trust’s property assets annually. All valuations remain subject to formal confirmation from the external auditors, and will be confirmed as part of the 31 March 2009 full-year financial results. The revaluation decreases the value of the Trust’s total assets to approximately \$1,065 million. The impact on market yields across the sectors is as follows:

	<b>Value change</b>	<b>Yield 2008</b>	<b>Yield 2009</b>
<b>Industrial</b>	<b>-8.1%</b>	<b>8.4%</b>	<b>9.2%</b>
<b>Commercial</b>	<b>-7.8%</b>	<b>8.8%</b>	<b>9.6%</b>
<b>Retail</b>	<b>-9.0%</b>	<b>7.7%</b>	<b>8.6%</b>
<b>North East Industrial</b>	<b>-3.1%</b>	<b>8.5%</b>	<b>8.8%</b>
<b>Total</b>	<b>-8.3%</b>	<b>8.3%</b>	<b>9.1%</b>

The Trust has previously announced the successful sale of over \$112 million of property, highlighting the liquidity of property with a lower average value in a more difficult economic environment. Sales over the last six months have been at an average 6% discount to the 31 March 2008 values providing confidence that the current valuation is genuinely reflective of current market conditions.

“While it is clear that property around the world has shown a significant drop in value, New Zealand has been relatively less affected due, in part, to the more conservative starting position. The liquidity for property assets under \$15 million in value, as clearly demonstrated by the Trust’s property sales, is a key advantage in a tighter market, and translates into a relatively lower fall in value as compared to the potential decline for larger sized properties.” said Peter Mence, General Manager of ING Property Trust Management Limited.

“The lower average value of properties in our portfolio allows us to complete transactions in the liquid part of the market, where transactions are still taking place. There are relatively few investors competing for property over \$20m in value and larger properties inescapably compete for purchasers with the substantial stock available often at a significant discount in Australia and elsewhere in the world. The Trust’s valuations reflect recent transactions in the market including those achieved by the Trust, in contrast to the lack of current sales evidence for higher valued properties.”

Despite the global and domestic economic environment, the Trust's portfolio is 98% occupied with strong tenant retention rates. The combination of unconditional asset sales (one sale is yet to settle) and the revaluation loss has resulted in an unaudited 39.2% ratio of debt-to-total-assets as at 31 March 2009 which sits well below the 45% bank covenant and the 50% limit stipulated in the Trust Deed.

## **ENDS**

### **Press enquiries**

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### **ING Property Trust**

ING Property Trust is the most diversified property trust listed on New Zealand Stock Exchange. It has a \$1.1 billion portfolio of 75 properties with 310 tenants across the retail, commercial and industrial sectors. The Trust has a low risk focus on quality properties where value can be added and properties modernised to extend their effective utilisation.