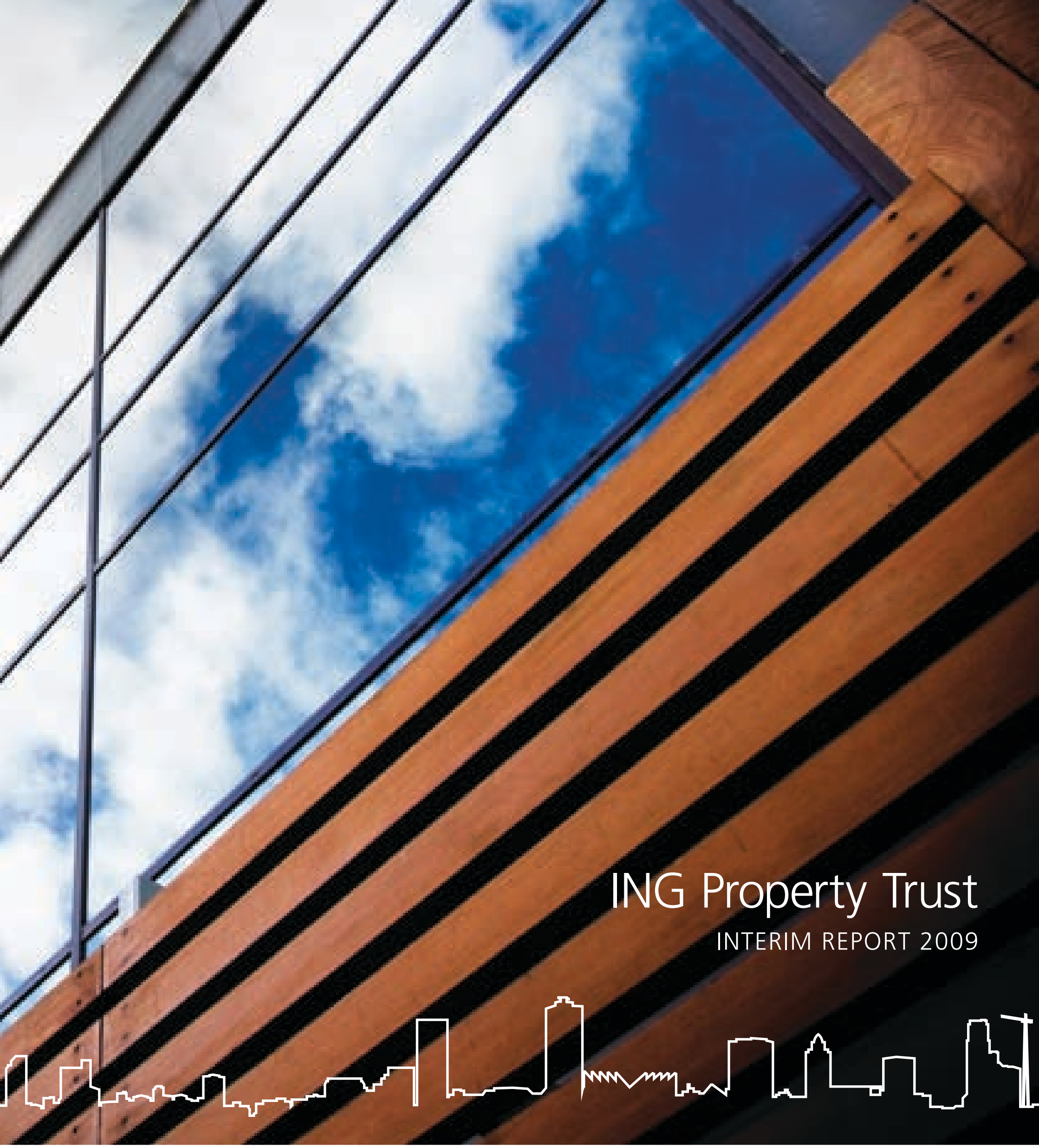

ING Property Trust

INTERIM REPORT 2009

ING

A note from the Manager

ING Property Trust has reported Comprehensive Income (after tax) of $2.2m for the six month period ended 30 September 2009 which compares to a loss of $10.6m over the same period in 2008. Comprehensive Income takes into account a number of financial reporting standards requirements including unrealised movements in interest rate hedges, property valuations and construction.

The core property portfolio generated $40.9m (2008: $43.7m) of property income and produced a profit before financial income/(expenses), other gains/(losses) and tax of $34.4m (2008: $39.4m). The reduced property income and earnings arise as a result of implementing the strategy of debt reduction through a controlled property disposal programme.

Unit price performance

The unit price has performed well for the first half of the year, out–performing the NZX50 and the NZX Property Index. In fact the ING unit price out–performed all other listed property stocks for the 6 months to 30 September 2009 (and indeed over the 12 month period).

Delivery on strategy has progressed well

While the property market has continued to be challenged in responding to the constrained requirements of tenants, good progress has been made in the half year to delivery on the three key areas of strategy outlined in the annual results:

- Risk mitigation
- Debt reduction
- Portfolio positioning for the future

Risk mitigation

Tenant retention rates have remained strong through the first half of the year and most of the space that has been vacated has been readily re-leased reflecting the quality of the portfolio and the market desirability of the space. Relationships with tenants and effective management of their needs remain a key focus, particularly in the current economic climate.

The vacant properties at 269 and 369 Khyber Pass Road, Auckland have been sold at book value to an owner occupier, removing the need for the Trust to complete a necessary $4.5m refit of these buildings.

In addition negotiations are well progressed to sell a significant part of the Manawatu Business Park in Palmerston North, held under the North East Industrial Limited joint venture arrangement.

The strong diversification characteristics in the portfolio have been maintained throughout the property sales process to ensure concentration risk is controlled and the relatively low risk nature of the portfolio is maintained.

Debt reduction

ING Property Trust, by virtue of its highly diversified portfolio, has a large number of smaller assets and consequently investors have benefited from the Trust's ability to address debt levels by asset sales rather than a capital raising that would be highly dilutive to those unitholders not able to participate.

Despite widespread concerns over the state of the property market, 20 properties have been unconditionally sold since December 2008. The 14 that have been sold so far this financial year were sold with average sale prices 102% of the levels set by the 31 March 2009 revaluations.

While the sale of property reduces the rental income generated from the portfolio, following the settlement of all unconditional property sales, the gearing will reduce to 37.5% of the property portfolio value. This is well below the banking covenant of 45%. With the

high level of portfolio liquidity, as demonstrated by the sales programme, the board is very comfortable that the Trust's debt is, and will be appropriately managed.

Positioning the portfolio for the future

Many leases have been renegotiated during the first half of the year, including 27 lease extensions, increasing the weighted average lease term of the portfolio to over five years. In addition, a number of new leases have been completed in a difficult leasing environment.

With property sales at an average of 102% of the 31 March 2009 book values and sales enquiry continuing, the Board of Directors has sufficient confidence in the 31 March 2009 valuations to avoid the cost of a mid year revaluation assessment of the total portfolio.

The Albany Mitre 10 property in Auckland was completed and valued for the first time during the six month period and this resulted in a decline in value of $1.5m over cost. The adjoining undeveloped land was also valued and this resulted in a decline in value of $13.6m over cost.

Outlook

While both the global and the domestic economy are beginning to show some positive signs of moving towards recovery, the property market, as accommodation providers to the nation's businesses, has continued to show the signs of strain.

ING Property Trust has a low risk diversified investment strategy that has provided flexibility in an extraordinary economic time and maintained a solid return to unitholders.

Condensed Consolidated Interim Statement of Financial Position

As at 30 September 2009 (unaudited)

	Note	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s	Group (audited) 31 March 2009 $000s
Non-current assets				
Investment properties	4	992,075	1,149,993	963,660
Property, plant and equipment		–	73,319	87,928
Investments		–	17,895	–
Derivative financial instruments	6	–	481	–
Other non-current assets		8,013	9,330	8,731
Total non-current assets		**1,000,088**	**1,251,018**	**1,060,319**
Current assets				
Cash and cash equivalents		1,042	1,308	1,070
Trade and other receivables		3,731	7,160	3,640
Other current assets		2,421	6,176	9,023
Derivative financial instruments	6	–	795	–
Taxation receivable		429	–	–
		7,623	15,439	13,733
Non-current assets classified as held for sale	5	14,833	–	7,755
Total current assets		**22,456**	**15,439**	**21,488**
Total assets	3	**1,022,544**	**1,266,457**	**1,081,807**
Unitholders' funds				
Units on issue	7	534,294	529,470	531,574
Hedging reserves		(15,172)	(5,856)	(23,027)
Retained earnings		42,616	149,451	68,529
Total unitholders' funds		**561,738**	**673,065**	**577,076**
Non-current liabilities				
Borrowings	8	18,860	513,420	410,750
Derivative financial instruments	6	19,301	11,842	35,295
Deferred tax		29,252	41,890	22,501
Total non-current liabilities		**67,413**	**567,152**	**468,546**
Current liabilities				
Borrowings	8	386,074	18,400	18,234
Trade and other payables		3,893	6,328	11,374
Derivative financial instruments	6	2,205	–	2,456
Taxation payable		–	549	1,973
Other current liabilities		1,221	963	2,148
Total current liabilities		**393,393**	**26,240**	**36,185**
Total liabilities	3	**460,806**	**593,392**	**504,731**
Total unitholders' funds and liabilities		**1,022,544**	**1,266,457**	**1,081,807**

The notes to the accounts form part of and are to be read in conjunction with these interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 September 2009 (unaudited)

	Note	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
Gross property income from rentals		43,998	46,227
Gross property income from expense recoveries		6,864	7,246
Property expenses		(9,924)	(9,783)
Net property income	3	**40,938**	**43,690**
Distribution received from available-for-sale investment		–	728
Other income		–	395
Total income		**40,938**	**44,813**
Administration expenses		6,505	5,449
Other expenses		58	–
Total expenses before financial income/(expenses) and other gains/(losses)		**6,563**	**5,449**
Profit before financial income/(expenses) and other gains/(losses)		**34,375**	**39,364**
Financial income/(expense)			
Finance expense		(13,455)	(18,043)
(Loss) on derivatives		(7,262)	(1,821)
Finance income		284	289
		(20,433)	**(19,575)**
Other gains/(losses)			
Revaluation (losses)/gains on investment property	4	(13,615)	(13,643)
Revaluation (losses)/gains on joint venture investment property	4	–	(590)
Unrealised (loss)/gain on construction	4	(1,461)	97
		(15,076)	**(14,136)**
(Loss)/profit before income tax		**(1,134)**	**5,653**
Taxation	9	4,478	5,377
(Loss)/profit for the period		**(5,612)**	**276**
Other comprehensive income			
Movement in cash flow hedge reserve		11,222	(15,789)
Income tax (expense)/benefit relating to other comprehensive income	9	(3,367)	4,959
Total other comprehensive income/(loss) after tax		**7,855**	**(10,830)**
Total comprehensive income/(loss) after tax		**2,243**	**(10,554)**
All amounts are from continuing operations			
Earnings per unit			
Basic and diluted earnings per unit (cents)	11	(1.06)	0.05

The notes to the accounts form part of and are to be read in conjunction with these interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 September 2009 (Group unaudited)

	Note	Units on issue $000s	Hedging reserve $000s	Retained earnings $000s	Total $000s
Unitholders' funds at the beginning of the period		**531,574**	**(23,027)**	**68,529**	**577,076**
(Loss) for the period		–	–	(5,612)	(5,612)
Fair value gains on cashflow hedges net of tax		–	7,855	–	7,855
Total comprehensive income/(loss) after tax		**–**	**7,855**	**(5,612)**	**2,243**
Contributions by unitholders					
Issue of units from Dividend Reinvestment Plan		2,926	–	–	2,926
Issue costs of units		(206)	–	–	(206)
Distributions to unitholders		–	–	(20,301)	(20,301)
Unitholders' funds at the end of the period	7	**534,294**	**(15,172)**	**42,616**	**561,738**

For the six months ended 30 September 2008 (Group unaudited)

	Note	Units on issue $000s	Hedging reserve $000s	Retained earnings $000s	Total $000s
Unitholders' funds at the beginning of the period		**522,876**	**4,974**	**172,678**	**700,528**
Profit for the period		–	–	276	276
Prior period adjustment		–	–	(71)	(71)
Fair value (losses) on cashflow hedges net of tax		–	(10,830)	–	(10,830)
Fair value (loss) – units in ING Medical Properties Trust		–	–	(1,177)	(1,177)
Total comprehensive income/(loss) after tax		**–**	**(10,830)**	**(972)**	**(11,802)**
Contributions by unitholders					
Issue of units from Dividend Reinvestment Plan		11,078	–	–	11,078
Issue costs of units		(128)	–	–	(128)
Units purchased in buyback		(4,356)	–	–	(4,356)
Distributions to unitholders		–	–	(22,255)	(22,255)
Unitholders' funds at the end of the period	7	**529,470**	**(5,856)**	**149,451**	**673,065**

The notes to the accounts form part of and are to be read in conjunction with these interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 September 2009 (unaudited)

	Note	Group (unaudited) Six months to 30 September 2009 $000s	Group (unaudited) Six months to 30 September 2008 $000s
Cash flows from operating activities			
Cash was provided from:			
Property income		50,608	52,775
Interest received		240	206
Distributions received		–	728
Cash was applied to:			
Property expenses		(12,673)	(11,793)
Management and trustee fees		(3,373)	(3,748)
Loss on swap cancellation		(12,284)	–
Interest paid		(13,894)	(19,129)
Tax paid		(3,496)	(3,336)
Other trust expenses		(755)	(950)
Net cash (used)/from operating activities	10	**4,373**	**14,753**
Cash flows from investing activities			
Cash was provided from:			
Sale of properties		49,548	6,360
Cash was applied to:			
Acquisition costs		–	(52)
Loan to North East Industrial Limited		(60)	(1,823)
Capital additions on investment properties		(11,666)	(5,202)
Capitalised interest on investment properties		(463)	–
Expenditure on property, plant and equipment		–	(20,488)
Purchase of properties		–	(51,063)
Purchase of units in ING Medical Properties Trust		–	(407)
Net cash (used)/from investing activities		**37,359**	**(72,675)**
Cash flows from financing activities			
Cash was provided from:			
Debt drawdown		34,166	80,558
Issue of units (net of issue costs)		2,780	10,950
Cash was applied to:			
Repayment of debt		(58,405)	(6,150)
Distributions paid to unitholders		(20,301)	(22,256)
Buyback of units		–	(4,579)
Net cash (used)/from financing activities		**(41,760)**	**58,523**
Net (decrease)/increase in cash and cash equivalents		**(28)**	**601**
Cash and cash equivalents at the beginning of the period		1,070	707
Cash and cash equivalents at the end of the period		**1,042**	**1,308**

The notes to the accounts form part of and are to be read in conjunction with these interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General information

ING Property Trust ("INGPT" or "the Trust") is a unit trust established under the Unit Trusts Act 1960 by a Trust Deed dated 30 October 2002 as amended by a Deed of Variation and Reinstatement dated 30 September 2004, 17 October 2006, 17 December 2008 and 27 May 2009. The Trust is an issuer in terms of the Financial Reporting Act 1993. INGPT is incorporated and domiciled in New Zealand.

INGPT's principal activity is investment in properties which include commercial, retail and industrial properties throughout New Zealand. The Trust is managed by ING Property Trust Management Limited ("the Manager"), which is a wholly owned subsidiary of ING (NZ) Limited.

INGPT is involved in a joint venture arrangement, owning a 50% interest in the Manawatu Business Park in Palmerston North, also known as North East Industrial Limited ("NEIL").

These condensed consolidated interim financial statements are presented in New Zealand dollars which is the Trust's functional currency.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Manager on 24 November 2009.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The accounting policies applied in these condensed consolidated interim financial statements comply with New Zealand NZIAS 34 Interim Financial Reporting and NZ IFRIC interpretations issued and effective at the time of preparing these statements as applicable to the Trust as a profit–oriented entity. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2009 except for the mandatory changes to accounting standard as shown below.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for derivative financial instruments and investment properties which are measured at fair value.

The preparation of financial statements in conformity with NZ IFRSs requires the use of certain critical accounting estimates that affect the application of policies and reported amount of assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Note 4 – valuation of investment property

Note 6 – valuation of derivative financial instruments

Note 9 – deferred tax

Change in accounting policies

The following new, amended accounting standards are mandatory for application at 30 September 2009. These condensed consolidation interim financial statements have been prepared under the revised disclosure requirements.

NZ IAS 1 Presentation of Financial Statements – The revised standard requires that an entity must present all non–owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present one statement of comprehensive income.

2. Basis of preparation (cont.)

NZ IAS 1 amends the titles of financial statements as follows:

– 'Balance Sheet' becomes 'Statement of Financial Position'

– 'Income Statement' becomes part of the 'Statement of Comprehensive Income'

– 'Cash Flow Statement' becomes 'Statement of Cash Flows'

NZ IAS 40 Investment Property – The amendment requires property acquired for the purpose of development to be classified as investment properties. Previously, investment properties under development were held at cost less any impairment in accordance with NZ IAS 16 Property, Plant and Equipment. Following the amendment, investment properties under development are classified as investment properties and stated at fair value. Where the property's fair value can't be reliably measured, it will continue to be measured at cost until either its fair value can be reliably measured or the construction is completed. This change has been explained in detail in note 4 to the accounts.

NZ IFRS 8 Operating Segments – NZ IFRS 8 replaces NZ IAS 14 Segment Reporting. Operating segments are required to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

3. Segment information

The principal business activity of the Trust and its subsidiaries is to invest in New Zealand properties. Properties are divided into three business sectors: industrial, commercial and retail which are the Group's primary reporting formats.

The segment results for the period ended 30 September 2009 are as follows:

	Industrial $000s	Commercial $000s	Retail $000s	Unallocated $000s	Total $000s
Revenue	17,146	17,059	15,983	674	50,862
Segment result	14,604	12,581	13,388	365	40,938
Segment assets	328,861	304,984	337,840	50,859	1,022,544
Segment liabilities	27,420	28,682	12,540	392,164	460,806
Acquisition of segment assets	–	–	–	–	–

The segment results for the period ended 30 September 2008 are as follows:

	Industrial $000s	Commercial $000s	Retail $000s	Unallocated $000s	Total $000s
Revenue	17,782	20,545	14,507	639	53,473
Segment result	15,553	15,450	12,302	385	43,690
Segment assets	451,112	401,073	388,474	25,798	1,266,457
Segment liabilities	113	1,352	542	591,385	593,392
Acquisition of segment assets	33,772	–	19,062	–	52,834

There have been no inter-segment transfers and sales during the period (30 September 2008: nil).

4. Investment properties

	Group (unaudited) Six months to 30 September 2009 $000s	Group (unaudited) Six months to 30 September 2008 $000s
Investment properties	992,075	1,149,993
Investment properties under construction	–	73,319
	992,075	**1,223,312**
Movement in investment properties		
Balance at the beginning of the period	938,338	1,087,949
Acquisition of properties	–	52,834
Capitalised costs	1,973	3,863
Disposals	(41,246)	(5,967)
Transfer to properties held for sale	(14,833)	–
Transfer from investment properties under construction	60,259	–
Change in fair value of investment property	–	(13,643)
Closing balance	944,491	1,125,036
Deferred initial direct costs/lease incentives		
Opening balance	3,922	3,413
Change during the period	572	73
Closing balance	4,494	3,486
Share of joint venture investment properties		
Opening balance	21,400	20,125
Transfer from investment properties under construction	21,690	492
Capitalised costs	–	1,309
Interest capitalised	–	38
Revaluation (losses) on investment property	–	(590)
Unrealised gain on construction	–	97
Closing balance	43,090	21,471
Balance at the end of the period	**992,075**	**1,149,993**
Movement in investment properties under construction		
Balance at the beginning of the period	87,928	55,830
Prior period adjustment	–	(112)
Purchase of land and ground lease	–	1,819
Capitalised costs	8,634	14,866
Interest capitalised	463	1,408
Transfer to investment property	(81,949)	(492)
Unrealised (loss) on construction	(1,461)	–
Change in fair value of investment property under construction	(13,615)	–
Closing balance	–	73,319
Balance at the end of the period	**–**	**73,319**

Notes to the condensed consolidated interim financial statements (cont.)

4. Investment properties (cont.)

Deferred initial direct costs/lease incentives

This amount represents costs incurred with the negotiation of operating leases for the Group's investment property portfolio and which are being amortised over the term of those leases.

The Trust holds the freehold to all investment properties other than 39 Market Place, Auckland and E Block, Albany.

Investment properties valuation

The Trust policy is for investment property to be measured at fair value for which the Trust complete property valuations at least annually by independent registered valuers. There was no independent valuation for investment properties as at 30 September 2009 other than at E Block, Albany. The board and management consider that there has been no significant change to the investment environment since 31 March 2009 and the valuation of 31 March 2009 for investment properties are still applicable. (30 September 2008: An independent review was carried out during the period by valuation company DTZ New Zealand, which showed a decline in value of the portfolio by $14.2 million. The review did not include full property inspections or issuance of new reports but examined the likely affect on property values due to the softer investment environment).

An independent valuation was carried out during the period by Colliers International following the completion of the Mitre 10 Retail Development at Block E2, Albany, Auckland on 19 April 2009 (Valuation completed on 30 September 2009). The valuation was based on the market evidence of property sale transactions and leasing activity. The principal assumptions include 8.77% initial contract yield, 8.55% effective market yield, and 10.26 years WALT. Based on this valuation the market value of the property is $56,750,000. The difference between the fair value of the property at the completion and its previous carrying amount has been recognised in the Statement of Comprehensive Income.

An independent review was also carried out by Colliers International for the residual undeveloped land in E Block, Albany, being E1 & E3, for the purpose of compliance with NZ IAS 40. The review did not include full property inspections or issuance of new reports. The decline of the land value of $13,615,157 has been recognised and written down from the carrying value of the investment property.

5. Property held for sale

Three properties are subject to unconditional sale and purchase agreements at 30 September 2009 (30 September 2008: Nil). The valuation of the properties were based on the agreed purchase price, which approximates to its fair value at 31 March 2009.

6. Derivative financial instruments

	Group (unaudited) 30 September 2009	Group (unaudited) 30 September 2008
Nominal value of interest rate swaps	346,500,000	379,000,000
Average fixed interest rate	7.11%	7.02%
Floating rates based on NZD BBR	3.26%	8.41%

6. Derivative financial instruments (cont.)

Cash flow hedge

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of the future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. The Group designates hedges of both firm commitments and highly probable forecast transactions as cash flow hedges.

Fair value hedge

The Group designates hedges of the fair value of recognised assets and liabilities as fair value hedges. These include hedges of borrowings issued at fixed interest rates which expose the group to fair value interest rate risk. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

7. Units

	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
Balance at the beginning of the period	531,574	522,876
Purchase of units through buyback	–	(4,356)
Issue of units from Dividend Reinvestment Plan	2,926	2,106
Issue of units to underwriter	–	8,972
Issue costs of units	(206)	(128)
Balance at the end of the period	**534,294**	**529,470**

The number of units on issue at 30 September 2009 was 534,203,938 (30 September 2008: 526,173,876). The units have no par value and are fully paid. Fully paid ordinary units carry one vote per unit and carry the right to distributions.

	Group (unaudited) 30 September 2009	Group (unaudited) 30 September 2008
Reconciliation of number of units (in thousands of units)		
Balance at the beginning of the period	529,704	514,275
Purchase of units from buyback	–	(4,942)
Issue of units from Dividend Reinvestment Plan	4,500	3,202
Issue of units to underwriter	–	13,639
Balance at the end of the year	**534,204**	**526,174**

Notes to the condensed consolidated interim financial statements (cont.)

8. Borrowings

	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
ANZ National Bank Limited	386,576	513,420
Bank of New Zealand – share of joint venture borrowings	18,915	18,400
Borrowing Costs	(557)	–
Total borrowings:	**404,934**	**531,820**
Shown as:		
Current	386,074	18,400
Term	18,860	513,420

The Trust has a revolving credit facility with the ANZ National Bank Limited of $500,075,000 (30 September 2008: $600,075,000) secured by way of mortgage over the investment properties of the Trust. The facility has a term of three years and expires on 30 September 2010.

The contractual interest rate on the borrowings as at 30 September 2009 was 5.93% per annum (30 September 2008: 7.41%). The Trust also pays a line fee of 0.40% per annum on the total facility.

The joint venture has a committed cash advance facility with the Bank of New Zealand of $40,000,000 (30 September 2008: $50,000,000) secured by way of mortgage over the properties of the joint venture. The facility expires on 31 December 2010.

The contractual interest rate on the joint venture borrowings as at 30 September 2009 was 5.92% per annum (30 September 2008: 7.44%). The joint venture also pays a commitment fee of 1.45% per annum on the total facility.

9. Taxation

	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
(Loss)/profit before tax for the period	(1,134)	5,653
Taxation charge at 30%	(340)	1,696
Depreciation charges	(1,999)	(3,025)
Tax exempt income/loss	4,540	4,045
Tax on revaluation of investment properties	1,883	3,083
Tax on unrealised (loss)/gain on swaps held for trading	1,507	(546)
Other adjustments	(1,113)	124
Taxation charge	4,478	5,377
Deferred tax recognised directly in unitholders' funds		
Derivatives	(3,367)	4,959
The taxation charge is made up as follows:		
Current taxation	945	2,840
Deferred taxation	3,533	2,537
Total taxation charge	**4,478**	**5,377**
Imputation credits		
Imputation credits at beginning of period	19	–
Loss of imputation credits	(7)	–
New Zealand tax payments, net of refunds	3,487	3,041
Imputation credits attached to dividends received	4	96
Imputation credits attached to dividends paid	(3,082)	(3,914)
Imputation credits at end of period	**421**	**(777)**

10. Reconciliation of surplus after taxation with cash flows from operating activities

	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
(Loss)/profit after tax for the year	(5,612)	276
Adjustments for non-cash items		
Change in fair value of investment properties	13,615	14,233
Unrealised gain on construction	1,461	–
Fair value losses on derivative financial instruments	6,963	1,821
Loss/(gain) on disposal of properties	58	(395)
Other non-cash items	(123)	(2,232)
Operating cash flows before changes in working capital	16,362	13,703
Change in trade and other payables	(2,271)	(23)
Change in rent in advance	(1,361)	223
Change in taxation payable	754	2,041
Change in other current liabilities	(11,985)	–
Change in trade and other receivables	2,874	(1,191)
Net cash from operating activities	**4,373**	**14,753**

11. Earnings/(loss) per unit

Basic and diluted earnings/(loss) per unit is calculated by dividing the profit attributable to unitholders of the Trust by the weighted average number of ordinary units on issue during the year.

	Group (unaudited) 30 September 2009 $000s	Group (unaudited) 30 September 2008 $000s
(Loss)/profit attributable to unitholders of the Trust	(5,612)	276
Weighted average number of units on issue	531,081	510,935
Basic and undiluted (loss)/earnings per unit (cents)	**(1.06)**	**0.05**
Weighted average number of ordinary units		
Issued units at beginning of period	529,704	514,275
Issued units at end of period	534,204	526,174
Weighted average number of ordinary units	**531,081**	**510,935**

On 24 November 2009 an interim gross distribution of 2.074 cents per unit was announced by the Trust. Continuation of the DRP programme will increase the number of units on issue.

12. Commitments

Ground rent

Ground leases exist over the GE Capital Building in the Viaduct Harbour. The amount paid in respect of ground leases during the period was $313,500 (30 September 2008: $352,688). The annual ground lease commitment is $627,000 and is fully recoverable from tenants in proportion to their area of occupancy. The lease is renewable in perpetuity with the next renewal date in 2012.

The Trust committed to make ground rental payment to E Block, Albany from 25 June 2008. The full commencement ground rental is $1.14 million payable in stages. From June 2010 the rental is determined by an agreed formula and increased on an annual basis at the rate of change in the consumer price index plus 1%.

Building upgrades

Estimated capital commitments contracted for building projects not yet completed at balance date but not provided for were $5,414,249 (30 September 2008: $30,905,282).

Rental underwriting

Upon the sale of 1 The Strand, INGPT agreed to underwrite for a period of 12 months from the date of settlement (26 March 2009) the rental of $69,020 pa, plus operating expenses for the 210 sqm of vacancy and associated eight car parks in the building. During the period, the Group has made the payment of $42,893.

13. Contingencies

There were no contingencies as at 30 September 2009 (30 September 2008: nil).

14. Subsequent events

Since 30 September 2009, the Trust has announced further sales of five properties for a total of $18.3m. The sale prices are in line with the 31 March 2009 asset valuations.

On 24 November 2009, the Board approved the payment of a gross distribution of 2.074 cents per units to be paid on 18 December 2009.

15. Related party transactions

Details of transactions between the Group and other related parties are disclosed below.

Fees paid to the Manager

The Trust is managed by ING Property Trust Management Limited ("the Manager"). The manager is wholly owned by ING (NZ) Limited.

The Trust paid management fees to the Manager. The total fees incurred for the period was $3,258,899 (30 September 2008: $3,804,229) and the amount outstanding as at 30 September 2009 is $525,043 (30 September 2008: 626,721).

Notes to the condensed consolidated interim financial statements (cont.)

15. Related party transactions (cont.)

The Trust also reimbursed the Manager for fees paid to the Manager's directors and shareholders. These fees include directors' fees. The total amount paid in the period was $126,250 (30 September 2008: $115,000).

Properties owned by the Trust have been managed, on normal commercial terms by ING (NZ) Limited. Property management fees charged are either included in property expenses or capitalised. The amount paid to ING (NZ) Limited was $1,023,637 (30 September 2008: $1,070,798). The amount not recovered from tenants was $578,246 (30 September 2008: $615,823).

Other related party transactions

ING (NZ) Limited paid for rental and car parks within the building at 8–14 Willis Street, Wellington. The total paid by ING (NZ) Limited for the period was $104,728 (30 September 2008: $105,995).

ANZ National Bank Limited (a 49% shareholder of the parent company of ING (NZ) Limited) paid for rental and car parks within 107 Carlton Gore Rd. The total paid by ANZ National Bank Limited for the period was $987,933 (30 September 2008: $987,933).

The Trust has a revolving credit facility with ANZ National Bank Limited of $500,075,000 (30 September 2008: $600,075,000). As at 30 September 2009 $386,576,047 (30 September 2008: $513,420,428) had been drawn-down. The Trust paid $13,631,503.22 (30 September 2008: $19,482,499) in interest and fees to ANZ National Bank Limited during the period.

Valor Ideal Limited is associated with the Trust's joint venture partner in North East Industrial Limited. Valor Ideal Limited paid for services provided by the Trust in relation to the Manawatu Business Park. The total revenue from Valor Ideal Limited for the period was $612,156 (30 September 2008: $623,053).

ING Property Trust No.4 Limited (a subsidiary of ING Property Trust) advanced a loan of $3,646,653 to North East Industrial Limited on 14 July 2008 at an interest rate of 10.00% per annum. The total interest received from North East Industrial Limited during this period was $151,943 (30 September 2008: $60,778). On 30 September 2009, a further $120,000 was advanced to North East Industrial Limited and the interest rate is going to be charged at 8% above the Trust's average interest rate.

Properties owned by the North East Industrial Limited have been managed, on normal commercial terms by ING (NZ) Limited. Property management fees charged are included in property expenses. The amount paid to ING (NZ) Limited and not recovered from tenants was $38,395 (30 September 2008: $123,066).

No related party debts have been written off or forgiven during the period.

The Manager held no units in the Trust as at 30 September 2009 and 30 September 2008.

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