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MARKET RELEASE

Auckland, 24 August

Chairman's address, ING Property Trust annual meeting 2009

The following is the address of the Chairman of the Manager to the ING Property Trust Annual Meeting held at 1pm at the Sebel Trinity Wharf, Tauranga on Monday 24 August 2009.

You will be aware that the global investment environment has been challenging over the last year and that the value of property stocks have declined substantially following property value declines both real and expected.

Since we last met, the Trust has followed a clear policy to reduce investment risk. A policy that has recently shown some strong performance results relative to our peers, as some of the strengths of the Trust's portfolio have become apparent.

The key aspects of the Trust's strategy over this difficult time have been focused on three key areas:

- Risk mitigation – both income and value
- Debt reduction
- Portfolio structuring for the future

Risk mitigation in an economic downturn is an essential part of the Trust's activities. It is important to manage tenant relationships to identify as early as is possible any potential issues that may arise as a result of a tenants business becoming financially stressed and consequently eroding the income levels of the Trust's portfolio. The earlier the management team and the directors become aware of a potential issue the better our opportunity to achieve a result that is in the best interests of both the tenant and our unitholders.

Equally with the values of all investments being questioned, it is important to ensure that the correct investment management decisions are made in order to preserve and enhance the value of individual properties in the portfolio.

Debt reduction is the significant theme of most businesses in the world economy. What has been referred to as the great de-leveraging is a reversal of the last decade where the relatively cheap and easy access to debt has been a common way of enhancing the return to investors in most investment vehicles.

The potential for reduced availability of debt funding has rightly caused a strong focus on gearing levels and around the world investment managers are looking to reduce the risk profile of their vehicles by reducing the level of gearing. The Trust too has a focus on gearing levels and, albeit that the New Zealand market has been conservatively geared relative to international examples, a reduction to a targeted 35% gearing ratio was announced as a key component of the interim results.

Portfolio structuring for the future is recognition that while there is a need to concentrate on the immediacy of the current economic malaise, it is of fundamental importance to position the Trust well for the future as the recessionary clouds inevitably retreat. The portfolio should be positioned to enable the Trust to deliver strong and reliable returns to unitholders from well located and well managed property investments. There will be lessons learned from the recession and potentially the strengths of the diversified portfolio of our Trust will be better recognised and rewarded as the results of the recession are consigned to history.

With the worldwide economic downturn, the value of the Trust's portfolio declined by 8.3% for the year to 31 March 2009. This includes the 1.3% write down adopted in the interim accounts at 30 September 2008. An interim adjustment to values is not normal, however as the extent of the global downturn became increasingly evident the board considered that unitholders should be afforded as much information as possible and that an interim assessment was not just warranted but prudent.

The valuation announcements at year end carried two key messages.

- Property with lower average values remains liquid
- Values were endorsed by actual sale price levels achieved by the Trust both before balance date and subsequent to balance date

The reduction in the property values while bad news in that it effects a reduction in the asset backing of the units, still leaves the unit price at a heavy discount to the asset backing.

During the year we have seen the change in control of the management company but while this is independent from the Trust itself and does not affect unitholders' interests in any way, may be of interest.

Where the management company was 50% owned by ING (NZ) Limited and 50% owned by Symphony Group Limited, the entire management company is now owned by ING (NZ) Limited. The Board would like to acknowledge and thank Symphony Group for its contribution to the Trust from its inception.

Overall, in spite of a difficult environment the Trust's portfolio remains in excellent shape and is well positioned to deliver good returns for the coming year. Investors can expect to see us continue with our strategy to preserve and grow long term value from the property portfolio.

The occupancy level in the portfolio remains strong at 98%, and the 85% tenant retention rate and weighted average lease term at 4.6 years remain attractive. We remain convinced that a well diversified portfolio of good quality and well located properties will deliver solid returns from a relatively conservative risk platform.

It is worth noting that the values of the properties in the ING Property Trust portfolio have shown relative resilience and that up to 31 March 2009 17 properties were sold for a total of $116 million, an average of 8.2% below the then book values. The year end valuation showed a decrease of 8.3% which was consistent with what we had achieved in the market. Since year end, unconditional contracts have been negotiated for a further 8 properties have been sold at or above the values determined by the valuers as at 31 March 2009. This means that property values for ING Property Trust appear to be relatively stable, and provides a level of confidence for the future.

While no one can project the future of the current economic situation with any accuracy, the Trust's portfolio remains in good shape in spite of the current downturn, and continues to provide investors with a solid return on their investment from a diversified and well managed property portfolio showing strong fundamental basic statistics.

At our meeting earlier today, the Board resolved that the cash distribution for the June quarter will be 1.875 cents per unit and that imputation credits of 0.623 cents per unit will be attached to that distribution.

I can also confirm that as indicated in May, the Manager expects that the 2010 cash distribution will be in the order of 7.5 cents per unit.

We wish to thank all investors for their ongoing support and we look forward to continuing our work for and with you in the year ahead.

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ING Property Trust
ING Property Trust is the most diversified property trust listed on the New Zealand Stock Exchange. It has a $1.1 billion portfolio of 93 properties, with 286 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.