

# ING Property Trust

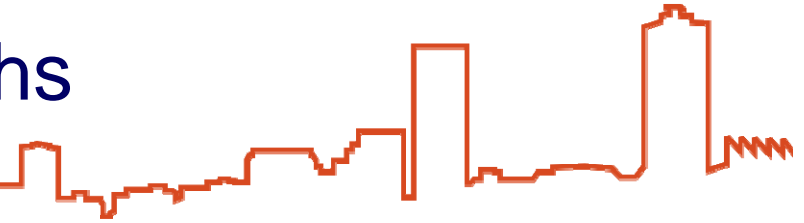
## Interim results presentation

November 2009



# Highlights from first six months

---



- » Gross dividend of 3.75 cents per unit for the 6 months to 30 September 2009
- » 96.28% occupancy at period-end and a 90% tenant retention rate
- » A weighted average lease term of 5.0 years, providing strong rental security
- » Diversification with 86 buildings valued at \$1.0 billion and 280 tenants
- » Active portfolio management and the remoulding of the property portfolio
- » 14 unconditional property sales (6 are yet to settle) for a total of \$80.9m at an average 102% of book values



# Trust basics



# Summary statistics



## As at 31 October 2009

|                          |               |
|--------------------------|---------------|
| Book Value of Properties | \$979,870,101 |
|--------------------------|---------------|

|                      |    |
|----------------------|----|
| Number of Properties | 83 |
|----------------------|----|

|                             |              |
|-----------------------------|--------------|
| Average Value of Properties | \$11,805,664 |
|-----------------------------|--------------|

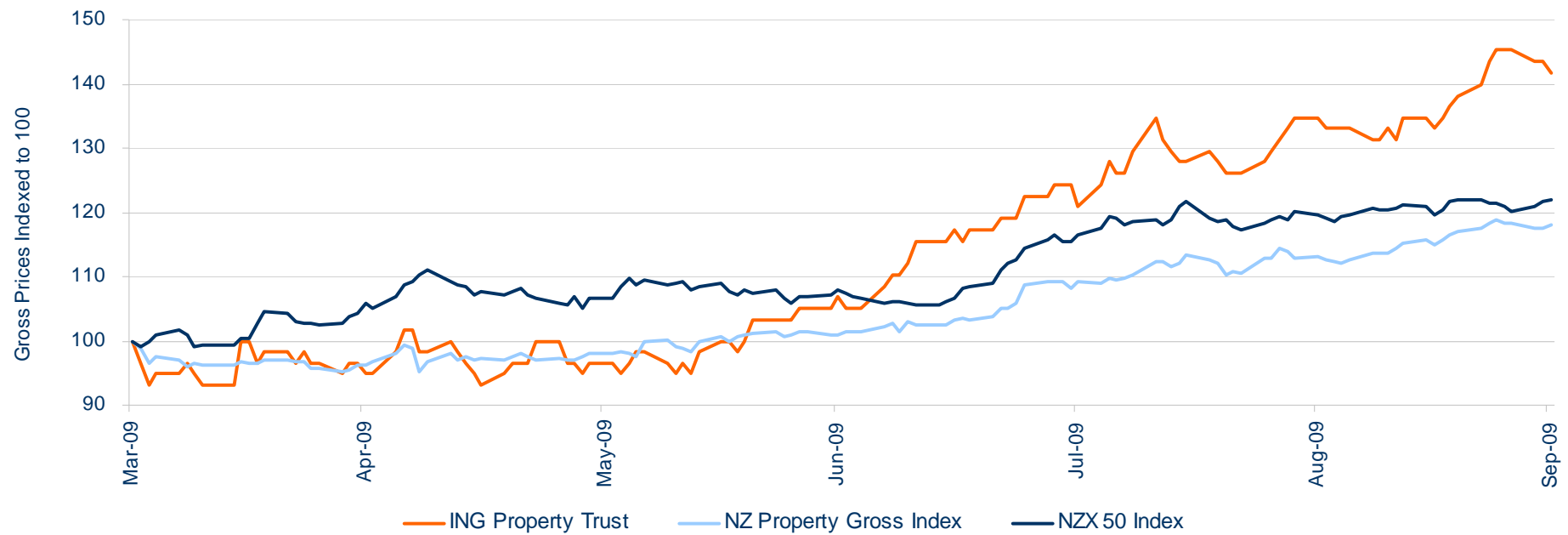
|                 |      |
|-----------------|------|
| Vacancy by area | 2.7% |
|-----------------|------|

|                   |       |
|-------------------|-------|
| Vacancy by rental | 3.82% |
|-------------------|-------|

|                             |            |
|-----------------------------|------------|
| Weighted Average Lease term | 5.03 years |
|-----------------------------|------------|

|                   |     |
|-------------------|-----|
| Number of tenants | 280 |
|-------------------|-----|

# Unit price performance



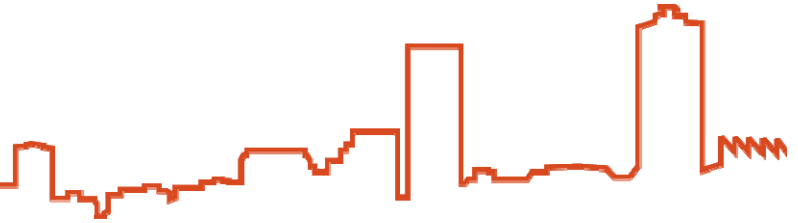


# Portfolio overview



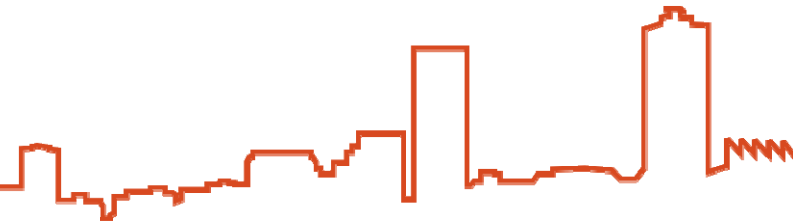
# Strategy

---

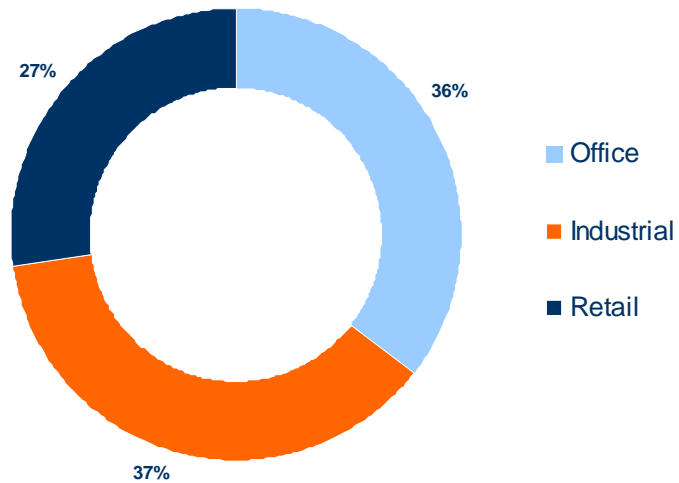


- » Risk mitigation
- » Debt Reduction
- » Portfolio positioning for the future

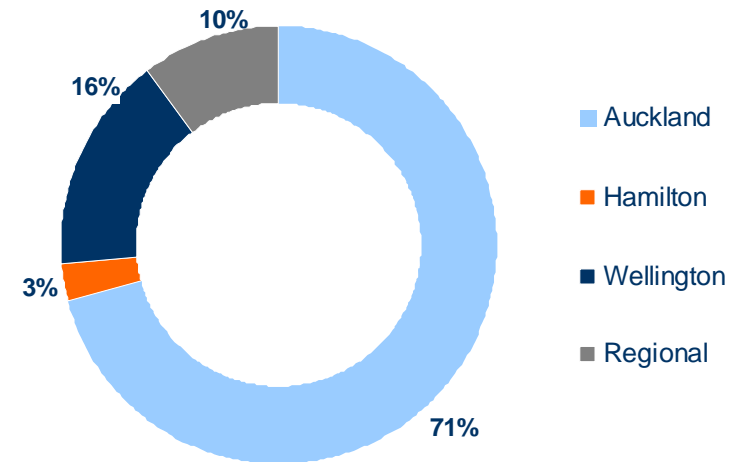
# Diversification



By sector

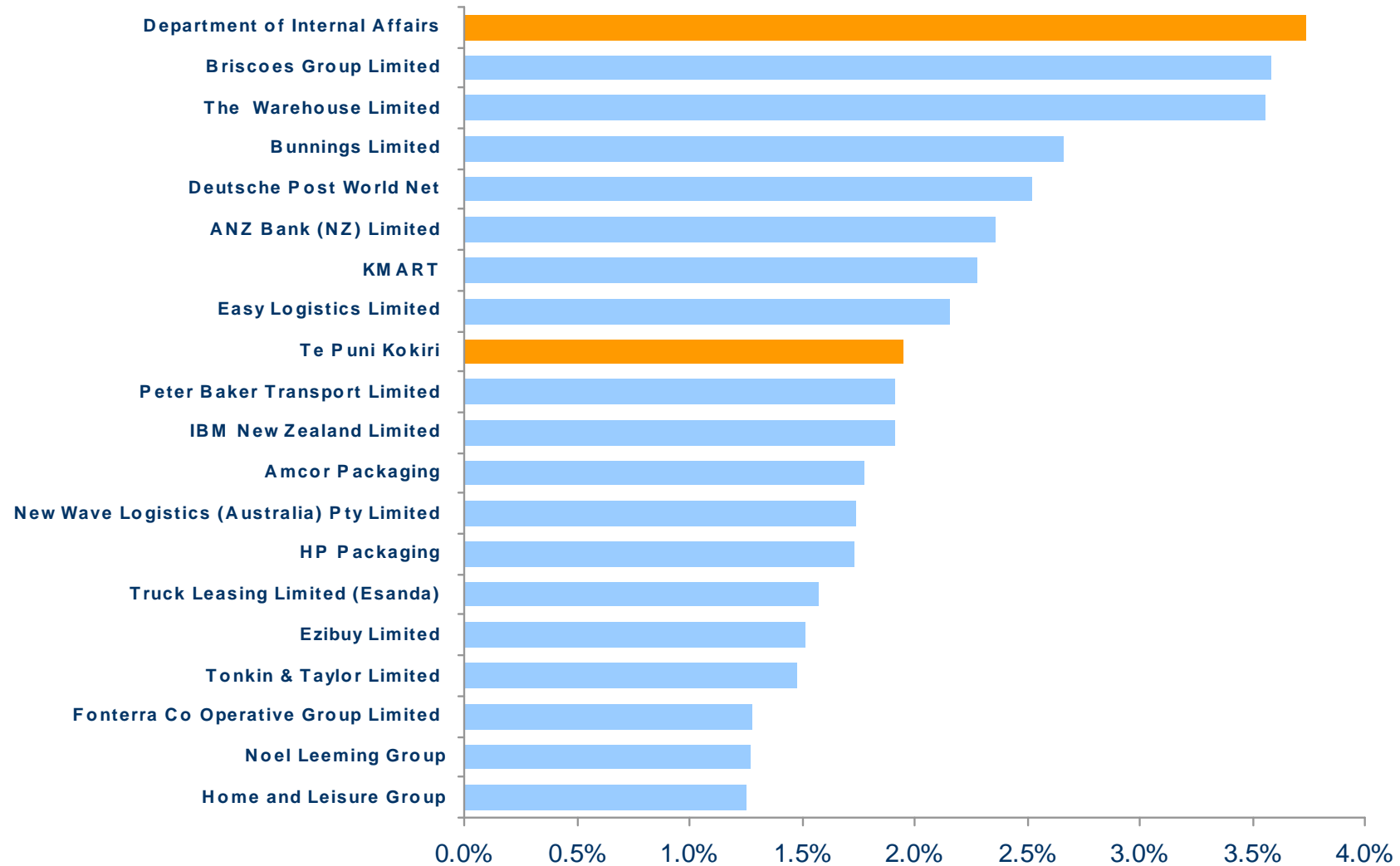


By region

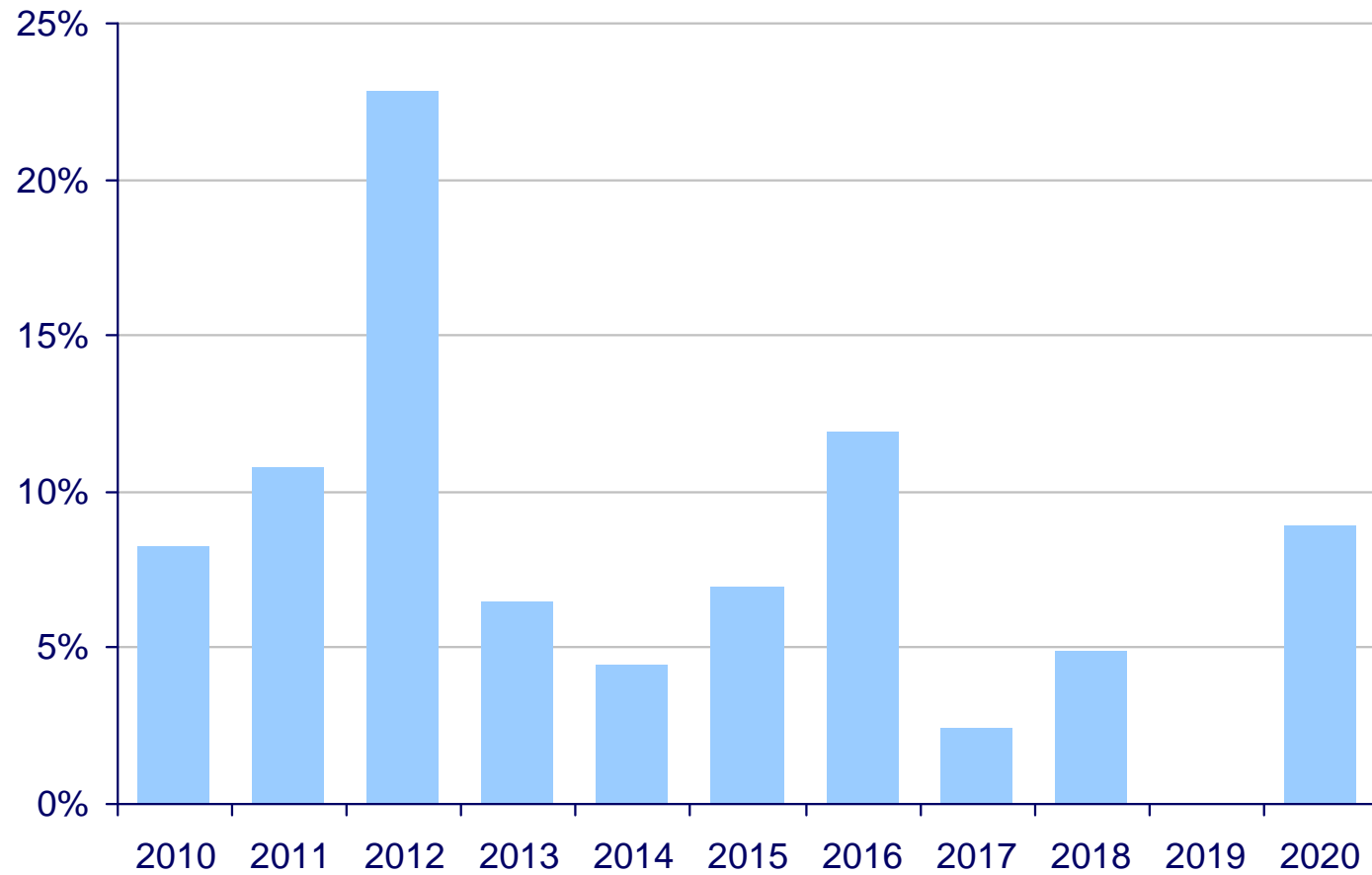




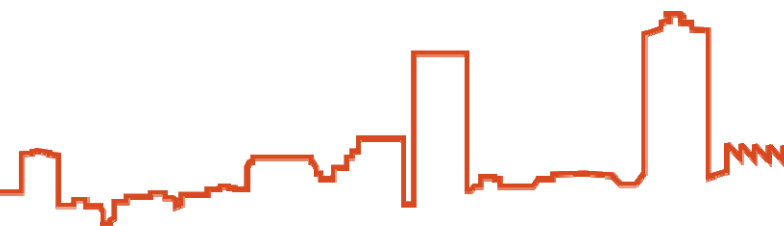
# Tenant diversification



# Lease maturity



# Property sales



| Property                                 | Market value as at 31/03/09 | Sale Price          | Settlement date or expected settlement date | Proportion of book value |
|--|-----------------------------|---------------------|---|--------------------------|
| College Hill, Auckland (pending vacancy) | \$7,600,000                 | \$7,854,000         | 19 Jun 2009                                 | 103%                     |
| Cavendish Drive, Manukau                 | \$6,000,000                 | \$6,000,000         | 01 Dec 2009                                 | 100%                     |
| London Street, Hamilton                  | \$7,600,000                 | \$7,600,000         | 31 Jul 2009                                 | 100%                     |
| Annie Huggan Grove, Wellington           | \$8,950,000                 | \$10,000,000        | 03 Aug 2009                                 | 112%                     |
| Great South Road, Auckland (vacant)      | \$7,060,000                 | \$7,000,000         | 31 Aug 2009                                 | 99%                      |
| Sir William Drive, East Auckland         | \$5,000,000                 | \$5,000,000         | 21 Aug 2009                                 | 100%                     |
| Maui Street, Hamilton                    | \$1,800,000                 | \$1,850,000         | 11 Sep 2009                                 | 103%                     |
| Cryers Road, Auckland (pending vacancy)  | \$3,550,000                 | \$3,550,000         | 30 Sep 2009                                 | 100%                     |
| Maui Street, Hamilton (vacant)           | \$1,730,000                 | \$1,750,000         | 02 Nov 2009                                 | 101%                     |
| Port Hills Road, Christchurch            | \$6,850,000                 | \$6,850,000         | 31 Mar 2010                                 | 100%                     |
| Maui Street, Hamilton (pending vacancy)  | \$1,900,00                  | \$2,000,000         | 11 Jan 2010                                 | 105%                     |
| Khyber Pass Road (vacant)                | \$3,700,000                 | \$3,700,000         | 20 Jan 2010                                 | 100%                     |
| Khyber Pass Road (vacant)                | \$4,050,000                 | \$4,050,000         | 20 Jan 2010                                 | 100%                     |
| Croftfield Lane, Auckland                | \$13,700,000                | \$13,700,000        | 06 Dec 2009                                 | 100%                     |
|  | <b>\$79,490,000</b>         | <b>\$80,904,000</b> |   | <b>102%</b>              |



# Positioning the portfolio for the future



- » 18 new leases
- » 27 lease extensions
- » Sales of vacant property
- » Sale of higher risk property

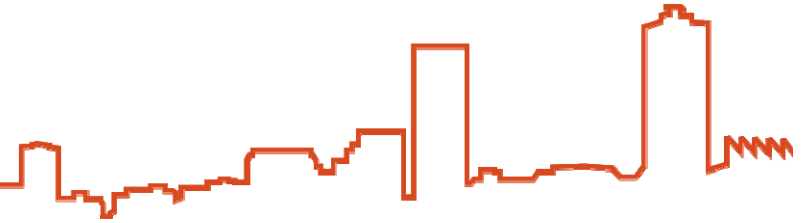
# New lease to Dick Smith



- » Eight year lease term
- » Building upgrade at a cost of \$2.15m
- » Projected profit \$700,000 at 8.5% cap
- » Commences three months following vacation by Kmart

# Valuations

---



- » Sales show stability
- » No requirement for interim valuation assessment
- » Average size grants ability to transact in liquid part of the market
- » There is a strong body of evidence to provide confidence in values
- » Devaluation of Albany Block E assets



# Manawatu Business Park

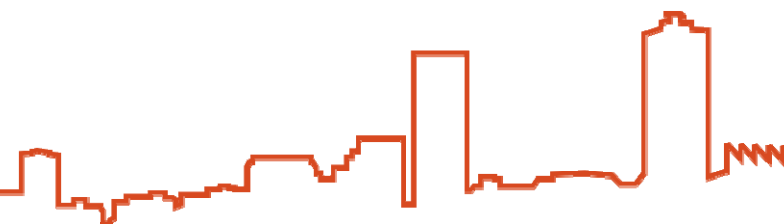


- » Asset remains sound and activity is still a possibility
- » Joint venture partner faces some challenges
- » Good interest in the assets
- » Agreement to sell \$7m of investment property and \$7.9m of vacant land

# Financial overview



# Financial performance

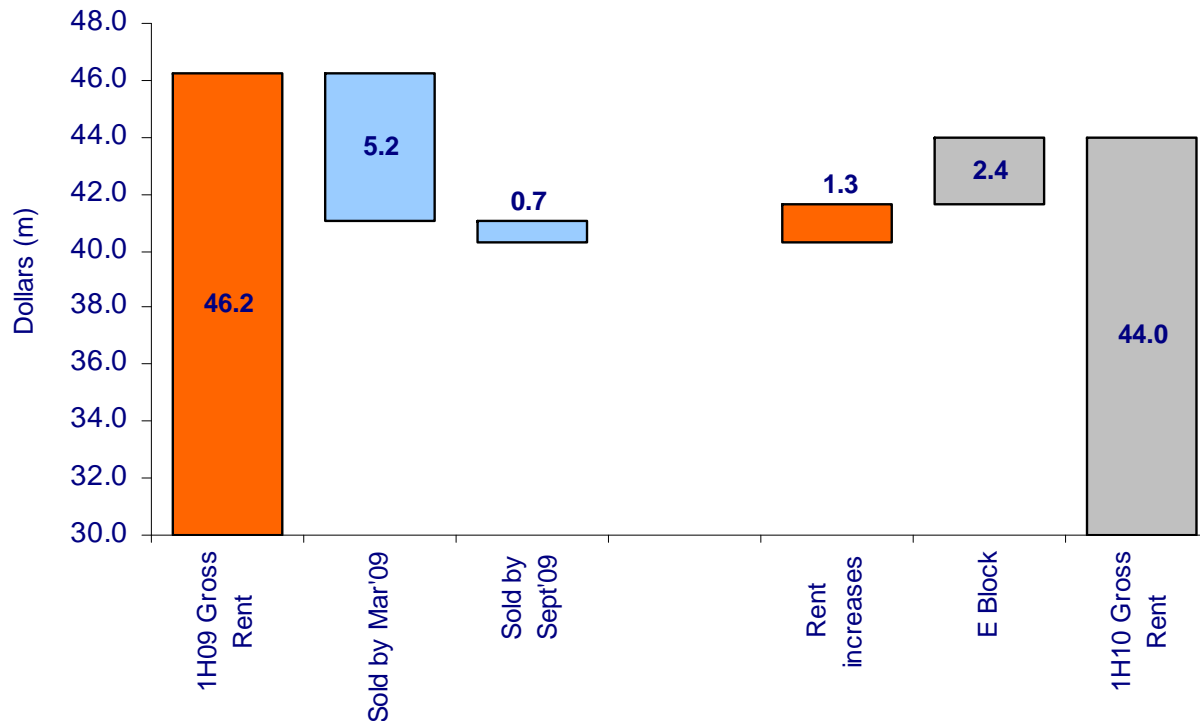


|  | <b>HY10</b>     | <b>HY09</b>    | <b>Change</b>    |
|--|-----------------|----------------|------------------|
| Net rental income  | \$40.9m         | \$43.7m        | -6.3%            |
| Interest expense   | \$13.5m         | \$18.0m        | 25.4%            |
| Loss on derivatives  | \$ 7.3m         | \$ 1.8m        |                  |
| Revaluation losses – on investment property                | \$13.6m         | \$14.2m        |                  |
| - on construction  | \$ 1.5m         | -\$ 0.1m       |                  |
| <b>Operating surplus (pre disposals, revals &amp; tax)</b> | <b>\$34.4m</b>  | <b>\$39.4m</b> | <b>-12.7%</b>    |
| <b>(Loss)/profit before income tax</b>                     | <b>\$(1.1m)</b> | <b>\$ 5.7m</b> | <b>\$ (6.8m)</b> |
| Current taxation   | \$ 0.9m         | \$ 2.8m        | \$ 1.9m          |
| (Loss)/profit for the period                               | \$(5.6m)        | \$ 0.3m        | \$ (5.9m)        |
| Post tax earnings per units (cents)                        | (1.06)          | 0.05           |                  |
| (Loss)/profit for the period - Comprehensive               | \$ 2.2m         | \$(10.6m)      | \$ 12.8m         |



# Gross rental income

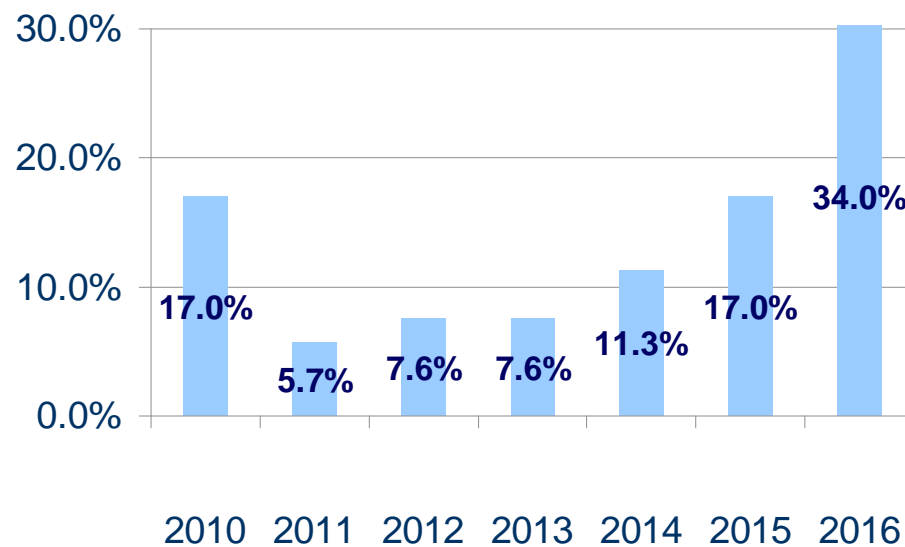
In the period 30 September 2008 to 30 September 2009 there has been \$150m of property sales settled. The following highlights the impact this has had on Gross Rental Income:



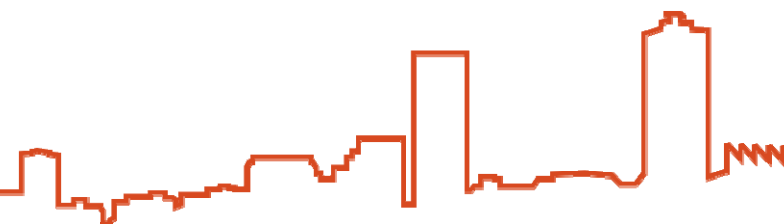
# Interest rate management

- » The Trust current interest rate hedge is 63% of its debt.
- » The interest rate paid (including margins and fees) in the first six months of FY2010 was 6.36% (compared with 7.25% in 1H09).
- » The duration of the hedge portfolio is 4.3 years

**Hedge expiry by year**



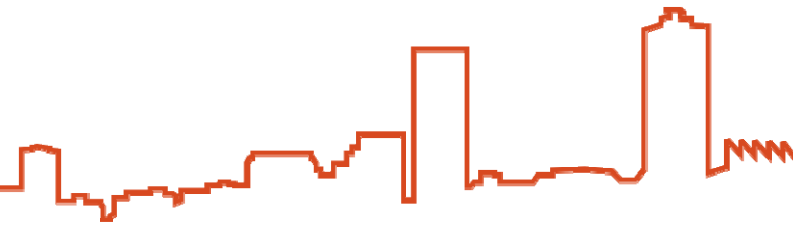
# Distributable income



|   | <b>HY10</b>    | <b>HY09</b>    |
|---|----------------|----------------|
| (Loss)/profit before income tax             | \$(1.1m)       | \$5.7m         |
| Adjust for:                                 |                |                |
| Revaluations losses/(gains) – property      | \$13.6m        | \$14.2m        |
| Revaluations losses/(gains) – construction  | \$1.5m         | \$(0.1m)       |
| Investment disposal gains/(losses)          | \$0.1m         | \$(0.4m)       |
| Derivative fair value adjustment            | \$7.3m         | \$1.8m         |
| Management rights amortisation              | \$0.7m         | \$0.7m         |
| <b>Gross distributable income</b>           | <b>\$21.9m</b> | <b>\$21.9m</b> |
| Current tax                                 | -\$0.9m        | -\$2.8m        |
| <b>Net distributable income</b>             | <b>\$21.0m</b> | <b>\$19.0m</b> |
| Gross distributable income per unit (cents) | 4.13c          | 4.28c          |
| Net distributable income per unit (cents)   | 3.95c          | 3.73c          |



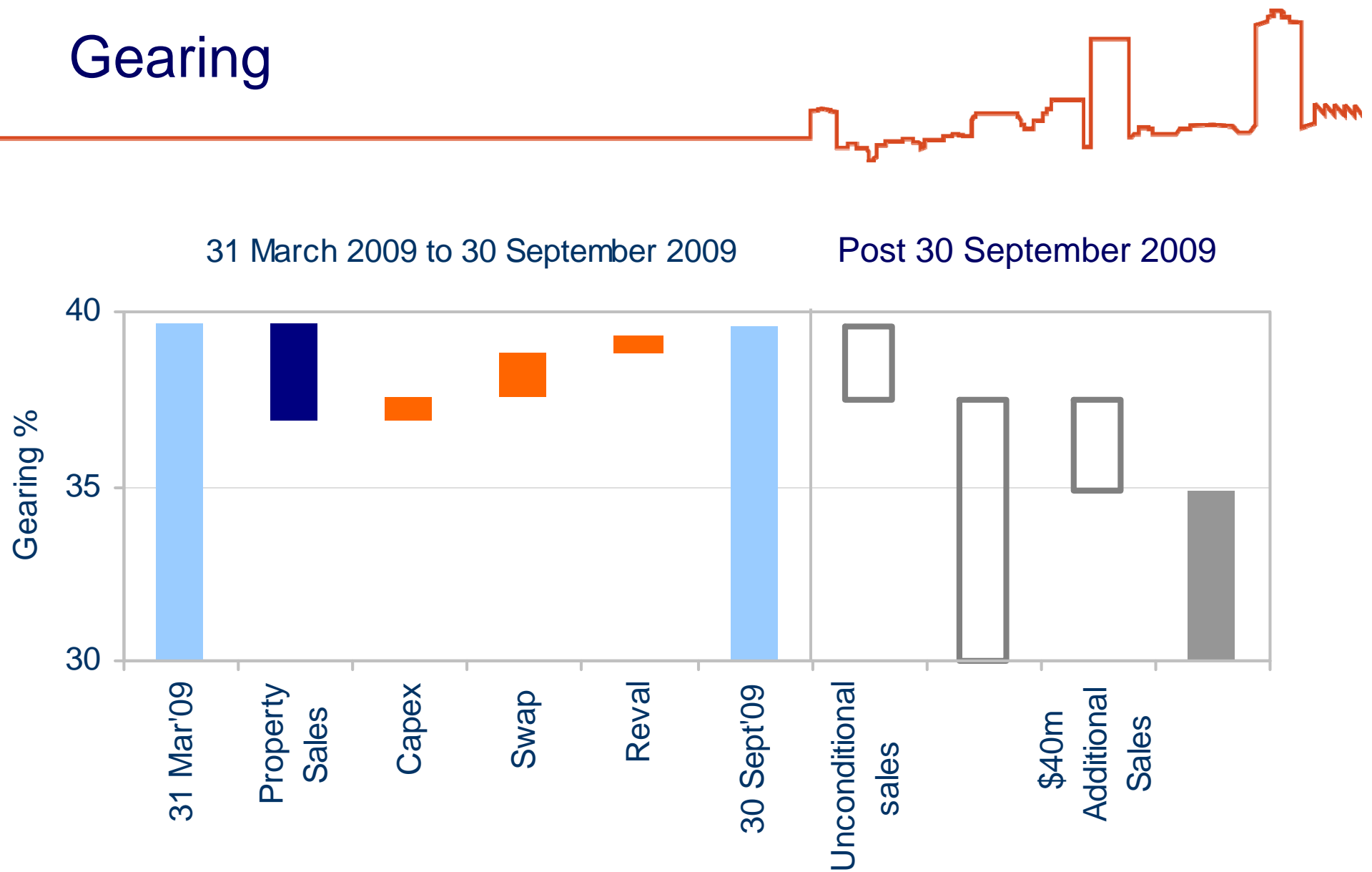
# Financial position



|                                    | <b>HY10</b> | <b>HY09</b> | <b>Change</b> |
|------------------------------------|-------------|-------------|---------------|
| Securities on issue                | 534.2m      | 526.2m      | 0.9%          |
| Unitholders' funds                 | \$561.7m    | \$673.1m    | -16.5%        |
| Net asset backing per unit (cents) | 105.8c      | 131.7c      | -19.7%        |

|                            |            |            |        |
|----------------------------|------------|------------|--------|
| Total property value       | \$1,006.9m | \$1,223.3m | -17.7% |
| Bank debt                  | \$404.9m   | \$431.8m   | 23.9%  |
| Debt-to-total-assets ratio | 39.6%      | 42.0%      | 5.7%   |

# Gearing



Thank you

