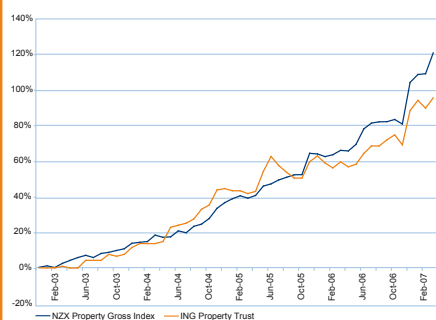


ING Property News

The Newsletter of ING Property Trust

June 2007

At a glance



Performance to 31 March 2007

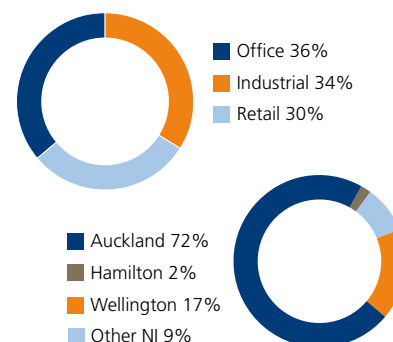
	1yr	since launch (pa)
INGPT	22.6%	16.7%
Benchmark	32.9%	20.0%

Portfolio statistics

Portfolio value	\$1.02b
Number of properties	97
Average property size	\$10.5m
Number of tenants	354
Vacancy factor	0.2%
WALT	4.8 yrs

Sector/geographic spreads

As at 31 March 2007



Investor returns increase with PIE

The passing of new taxation legislation has significant benefits for ING Property Trust (INGPT) unitholders. In particular, it introduces a new tax regime aimed at collective investments defined as a Portfolio Investment Entity, or PIE. This legislation alters the way in which the Trust's distributions are taxed, providing a considerable increase in after-tax returns for most New Zealand resident investors.

ING Property Trust will formally elect to become a PIE in June, in anticipation of the legislation coming into effect on 1 October 2007.

Under the PIE regime, investors in the Trust will get the same benefits currently given to private investors. This means that tax allowances, such as depreciation, and any tax free capital gains obtained by the Trust, will effectively be passed on to investors. The result of this is that most investors will be taxed on the Trust's taxable income, rather than on all income distributed

by the Trust as currently occurs. Each investor's personal tax circumstances and the Trust's effective tax rate will determine the extent of the benefit for INGPT investors. Most investors will see an increase in the after-tax distribution, even though there will be no effect on the Trust's gross distribution.

As it is not required for non resident withholding tax (NRWT) to be deducted for excluded dividends (the Trust's non taxable income), most offshore investors will see a decrease in the amount of tax paid in New Zealand. Further tax, payable in the country of residence, will generally apply depending on individual tax circumstances.

To illustrate how the tax changes will affect your net distribution, the table below shows the amount of cash (on an after-tax basis) that you would receive under the current rules and under the PIE rules. The example is based on an assumed distribution of 10.0 cents per unit, made up of 8.5 cents per unit of cash and 1.5 cents per unit of imputation credits.

Net income to investors (cents per unit)

	NZ marginal tax rate				Non-resident
	39.0%	33.0%	19.5%	0.0%	
Current	6.10	6.70	8.05	8.50	7.65
PIE	8.50	8.50	8.50	8.50	8.50
% change	+39%	+27%	+6%	+0%	+11%

Notes

- 1 Always verify your personal tax position with an independent tax adviser
- 2 Further tax may be payable in the non-residents tax jurisdiction.

The new regime takes effect on 1 October 2007 and will apply to dividends paid after that date.

Portfolio activity to 31 March 2007

Portfolio:

- 97 properties
- Value \$1.02 billion

Acquisitions include:

- 792 Great South Road (17-unit convenience retail centre)
- Manawatu Business Park
- United Carriers, Whangarei
- IBM Building, Auckland

Sales:

- 3 properties during the period at an average increase of 29% above book value

New leases completed:

- 50, accounting for 56,840 sqm of space and \$9.7 million of rental

Rental reviews:

- 110, resulting in an additional \$2.5 million of rental income per annum

Important dates:

- June: Annual report
Dividend paid
- August: Annual general meeting

If you are a unitholder in the Trust and have an enquiry relating to your investment holding, your personal details, distributions, etc., please contact:

Computershare Investor Services Limited
Private Bag 92119, Auckland 1020
Telephone: 09 488 8777
Fax: 09 488 8787



In July 2006, ING Property Trust acquired a 50% interest in the Manawatu Business Park in Palmerston North, comprising 70 hectares of industrial-zoned land. At the time of acquisition, three high-quality buildings had recently been completed at the Park. These are a state-of-the-art distribution centre for Ezibuy, a new office and warehouse building for Allflex (NZ) Limited, and a new multi-tenanted building, housing leisure-related businesses including a café, golf pro-shop, ten-pin bowling alley, mini golf, and dive school. All three buildings are subject to long-term leases and provide a secure growing investment for unitholders.

We are pleased to report that significant progress has been made with the ongoing development of the Park, with a new 3,000 sqm office/warehouse building for Independent

Manawatu Producers, due for completion this month. Site works have also commenced for the construction of a new, high-quality office and warehouse to be occupied by Hooker Pacific, one of New Zealand's oldest and largest independent transport operators. Work is also expected to start soon on three industrial buildings, all of which have been pre-leased to local businesses. These buildings, due to be completed towards the end of 2007 mean close to 10 thousand sqm of space has been committed to over the past year. On completion of this latest development, the Park will be generating nearly \$4 million of rental income per annum from tenants occupying new high-quality buildings, with secure long-term leases in place.

Portfolio revaluation

Following last year's strong valuation gains, INGPT has notched up another year of record valuation increases, with growth of approximately \$90 million over the previous year. The increase is the largest recorded by INGPT since its inception and represents a 10% increase on current book values. The revaluation gain increases the value of the Trust's total assets to approximately \$1.05 billion and lifts the unaudited net asset backing of the Trust by 14c per unit, to \$1.30.

The level of the overall valuation gain reflects strong investor and tenant demand for the type of properties in the INGPT portfolio and also the growth in rental currently being experienced throughout the portfolio.

Strong value increases were recorded across the entire portfolio with industrial properties achieving the greatest value increase at 12.1%, followed by retail properties at 9.2%, and office buildings recording an 8.9% increase.

ING Property Trust strategy overview and update

After lengthy consideration and analysis, the Board of ING Property Trust Management Limited (INGPTML) announced in early April that it was actively investigating international expansion as an additional investment platform for ING Property Trust (INGPT).

This strategy recognised that real estate markets have become increasing global, with cross-border property transactions now a common occurrence. The focus of the Board is to consistently provide attractive total returns to unitholders, adopting strategies that reflect changing market conditions.

The Board and management of the Trust are responsible for ensuring every initiative proposed not only makes sense from a risk/return basis, but is also in the best interest of the majority of unitholders. However, given the significance of the proposal, the manager of the Trust was unable to seek unitholder comment prior to the announcement as this would have potentially breached insider trading regulations. Following the April announcement, INGPTML completed an extensive review of the strategy with the Trust's largest investors.

All of the feedback received has now been considered. While the Board retains a strong conviction that controlled and disciplined international expansion, using the global ING Real Estate capabilities and expertise would provide significant benefits for INGPT unitholders, it also recognises the need for a general consensus amongst investors before embarking on such a move. Currently that consensus does not exist, and the Board has therefore determined to defer active investment in offshore markets.

Ongoing monitoring of international markets and trends will continue, as the Board believes the opportunity for offshore investment will present itself again.



IN BRIEF

Calan Healthcare Properties Trust

Discussions with the directors of the manager of Calan Healthcare Properties Trust regarding a merger with INGPT have ended. An agreement on the appropriate terms for merger could not be reached. At the same time, INGPT announced an on market buy-back of units in the Trust.

Wellington's best buildings

The Dominion Post, in conjunction with the Architecture Centre, recently named Wellington's 10 best buildings. ING Property Trust's Te Puni Kokiri, at 143 Lambton Quay (pictured right), was amongst the 10. Once marked for demolition, the building is considered to have been saved by a modern rooftop addition to the 1930's ground floors.