ING Property Trust

2008 Interim results briefing

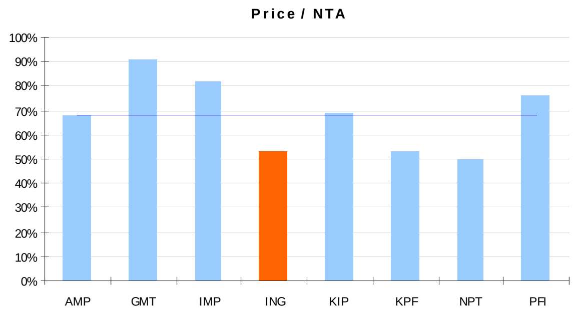
Agenda

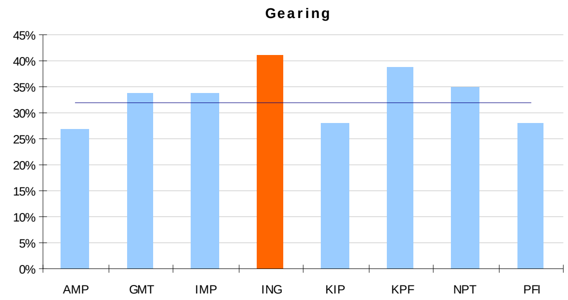
1. Introduction
2. Strategy
3. Financial matters
4. Valuations
5. Portfolio review
6. Portfolio statistics
7. Outlook
8. Questions

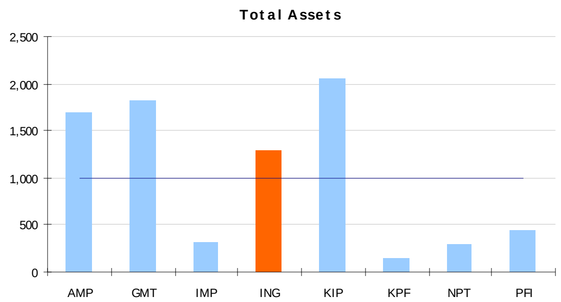
NZ listed property sector overview

Industry dynamics and trends

- Capitalisation rates have increased to reflect a re-pricing of risk back into asset values
- There has been a lack of material transactions of institutional grade property in 2008, which reflects the uncertain market conditions
- Offshore investors generally not in the market
- Some transactions occurring with smaller properties at good yields
- OCR cuts and lower exchange rate will increase demand for property assets
- Property market fundamentals currently remain strong with low vacancy rates and rental growth forecast in some sectors, although this could change
- Listed sector trading is at an average discount of 29% to NTA – driven by liquidity and market sentiment
- Listed sector looks attractive given defensive qualities and very high PIE yields
- Construction pricing has reduced, despite an increase in core material costs, due to construction firms seeking work to cover their overhead structures.
- Reversal of premium for large assets
- Strong risk focus in market
- Tenants less likely to relocate, but understandably cost focused







Source: Forsyth Barr Monthly Review September 2008

Strategy

Long term

- A New Zealand focused Trust
- Aim for diversification by sector, location and tenant mix
- Low risk, focus on quality investments
- Target A and B grade property in a value range of $10m to $100m
- No more than 5% to be held in non-return generating land
- Disciplined approach to financial criteria, risk mitigation and management procedures

Short term

- Near term debt target reduced from 40% to 35%
- Asset sales programme
- Projected FY09 distribution reduced from 8.7 cpu to 8.0 cpu
- Dividend Reinvestment Plan retained but not underwritten and discount reduced from 5% to 2.5%
- Deferral of acquisition activity
- Distribution policy for future periods to be reviewed once asset sales process is further advanced
- Bank facility with two years to expiry

Financial performance

	HY09	HY08	Change
Net rental income	$43.7m	$41.5m	5.3%
Earnings before interest and tax	$39.4m	$36.2m	8.9%
Interest expense	$18.0m	$13.3m	35.5%
Gain/(Loss) on disposal of properties	$0.4m	($0.3m)	
Revaluations *	$14.2m	$0.0m	
Operating surplus (pre tax)	$5.7m	$23.9m	-76.2%
Operating surplus (post tax)	$0.3m	$18.9m	-99%
Pre tax earnings per unit (cents)	1.11c	4.43c	-74.9%
Post tax earnings per units (cents)	0.05c	3.51c	-99.0%

* For HY08 there was no property value review performed

Distributable income

	HY09	HY08	Change
Profit before tax	$5.7m	$23.9m	
Adjust for:			
Plus revaluation losses	$14.2m	$0.0m	
Plus/(minus) derivative fair value adjustment	$1.8m	($0.1)m	
Plus management rights amortisation	$0.7m	$0.7m	
Current tax	-$2.8m	-$4.1m	
Net distributable income	$19.6m	$20.4m	
Net distributable income per unit (cents)	**3.73c**	**3.81c**	**-2.2%**
Units on Issue	526,174	535,413	

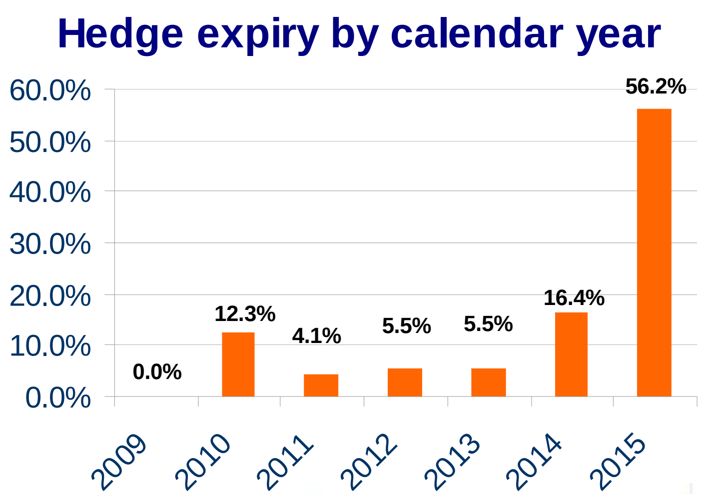
*This excludes the IFRS for gain on sales of properties

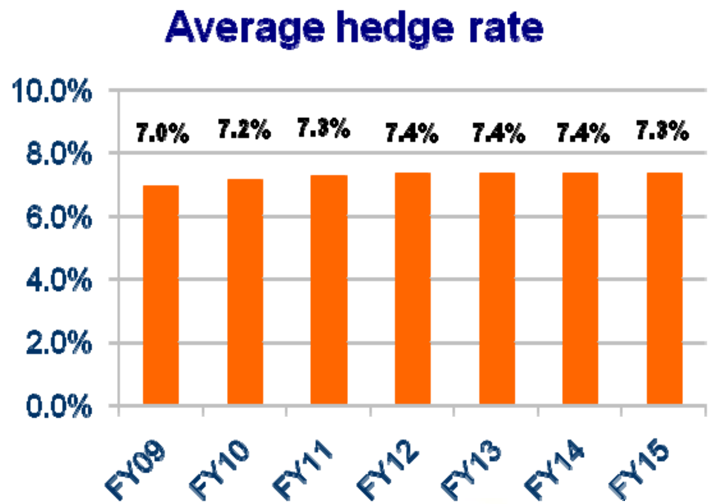
Financial position

	HY09	HY08	Change
Net asset backing per unit (cents)	128.0c	132.2c	-3.2%
Net asset backing per unit (excluding deferred tax on revaluation gains)	131.4c	138.6c	-5.2%
Securities on issue	526.2m	535.4m	-1.7%
Unitholders' funds	$673.1m	$708.5m	-5.0%
Debt to total assets ratio	42.0%	34.6%	21.4%
Total assets	$1,266.5m	$1,147.3m	10.4%
Bank debt	$531.8m	$396.4m	34.2%

Interest rate management

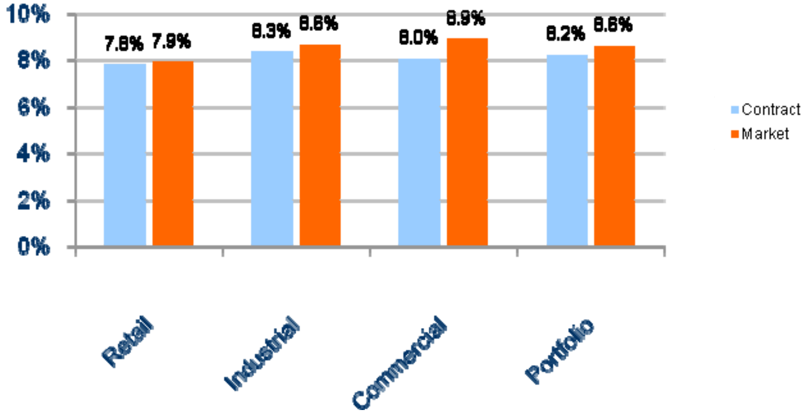
- Current debt facility does not expire until Sept 2010
- 71.1% of the Trust's debt is managed through the use of interest rate hedges
- Due to the Trust's interest rate management policy, the interest rate paid over the last 12 months (including margin and fees) is 7.46%
- The hedges have, on average, 5.46 years until expiry





Valuations

Key Determinants
• Supply and demand of space • Income – rentals • Interest rates • Value of returns and risk relative to other asset classes • Sentiment, negative across all asset classes • Activity levels – to achieve best value we need to have at least 2 purchasers • ING's smaller average size means number of buyers is greater providing increased flexibility

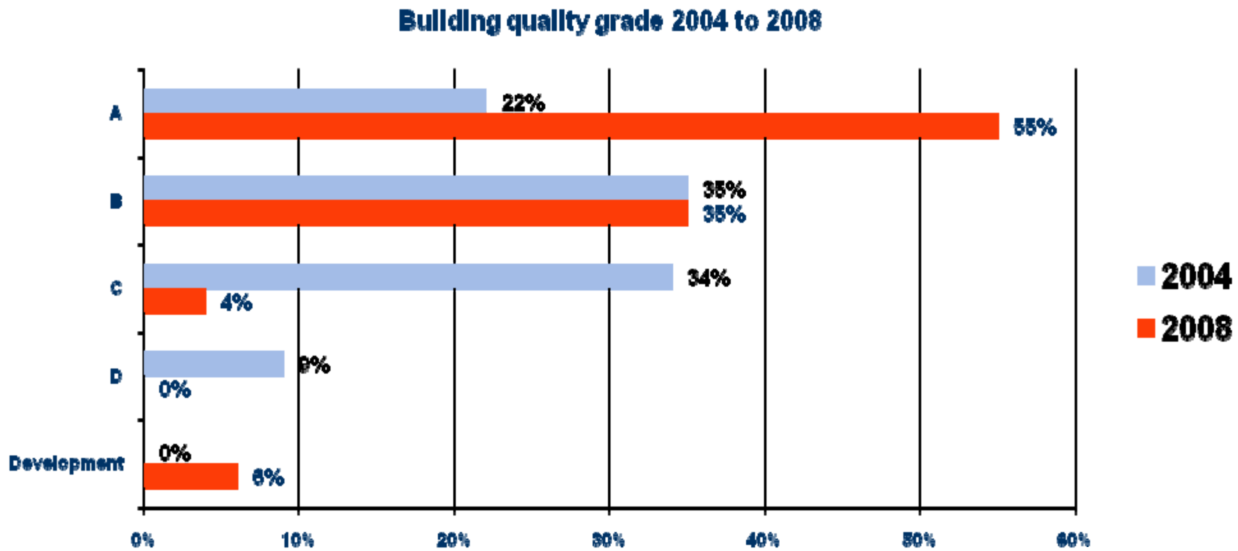


30 September 2008
• A review of the property portfolio was completed in-conjunction with the interim reporting period. • The market capitalisation rate for the portfolio moved to 8.6% from 8.3%. • The contract capitalisation rate increased from 7.9% to 8.2%. • Portfolio assessed as being under-rented by 4%. • Softened capitalisation rates were largely offset by increasing income to give a slight fall in value of 1.3%.

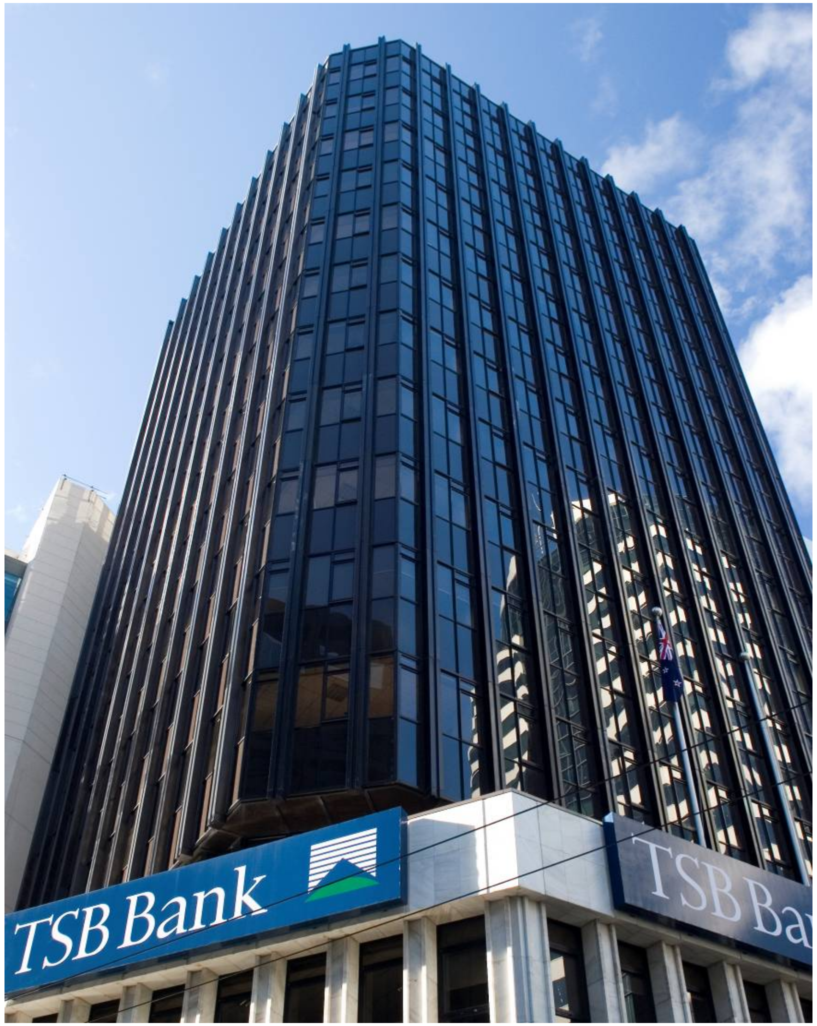
Forward Looking View
• Risk of rising capitalisation rates is present • Any asset with tenant, location or building risk is being re-priced • Limits to the quantity of new supply due to restrictions on developers as a direct result of credit crisis

Investment quality

- Quality of the investments held has improved through acquisition, development and rationalisation plans
- Almost no secondary quality assets remaining
- Investments are now predominantly A-grade
- Focus on adding to investment quality of portfolio



Commercial



Retail

Industrial

Old City Markets, 39 Market Place

NIWA / Contact

2 Leases
Term
Lease 1: 12 years (rental increases)
Lease 2: 12 years (rental increases)

GE Money

2 Leases
Term at vacation
Lease 1: 3 years 9 months
Lease 2: 9 months

Albany – Mitre 10

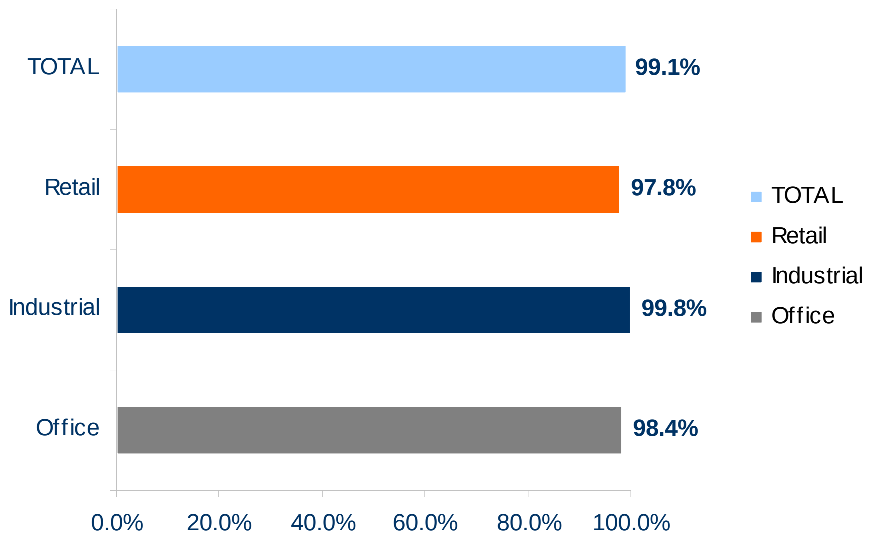
Portfolio management

- The tenant retention rate for the six months was 92% (excludes GE surrender). This reflects the consistent nature of the portfolio, as well as the level of service provided by the Trust's property managers.
- 79 rental reviews were completed over the period. The rental reviews account for a total of $2.0m of additional rental income at an annualised increase of 4.9%.
- 40 new leases have been completed with an average lease term of 5.6 years.

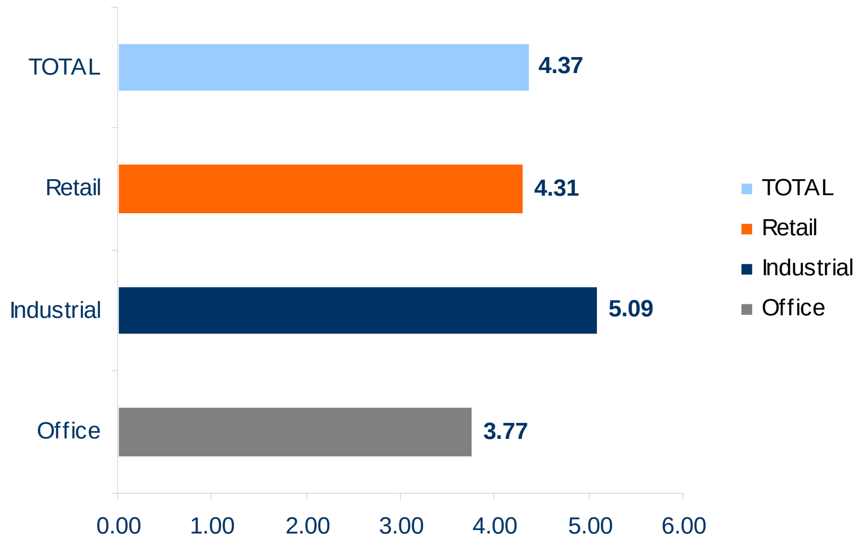
Occupancy

Strong occupancy and weighted average lease term

Occupancy by sector

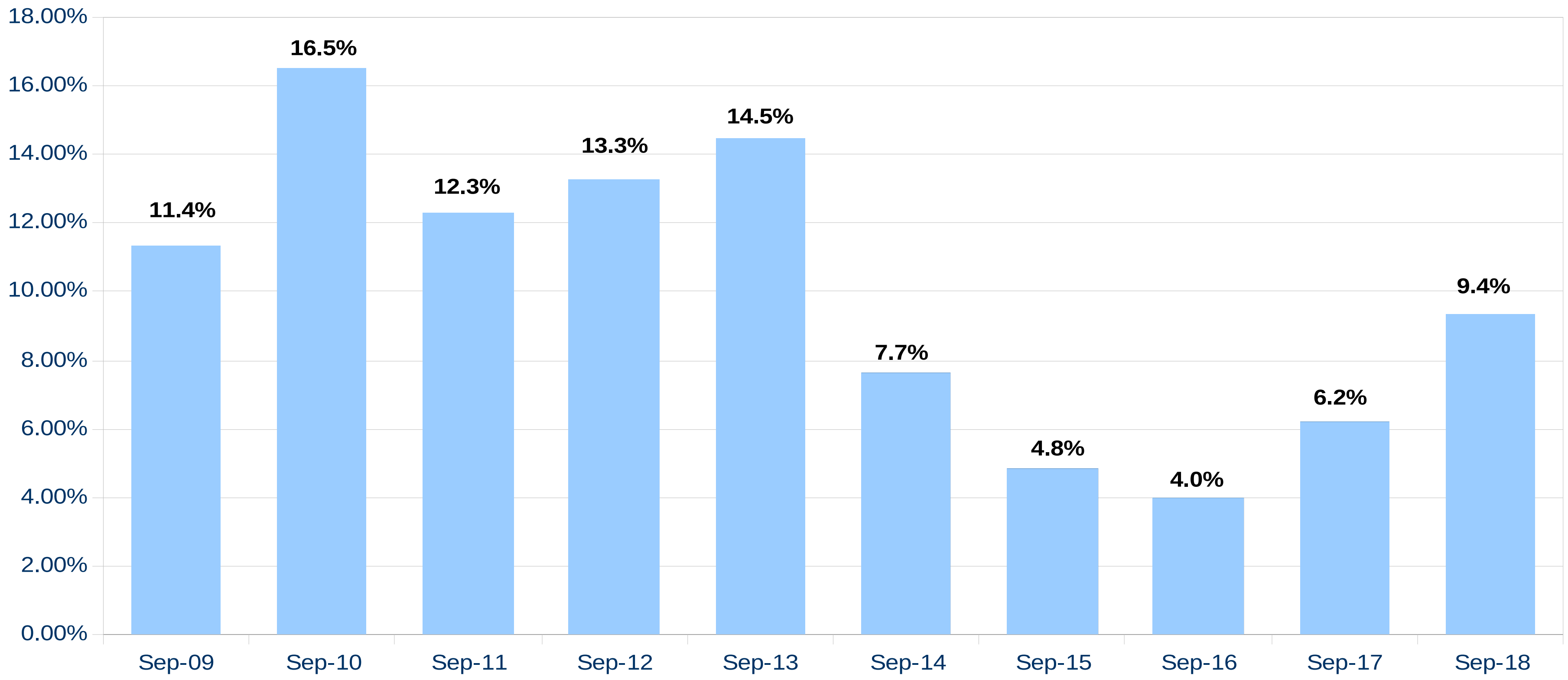


WALT by sector



As at 30 September 2008

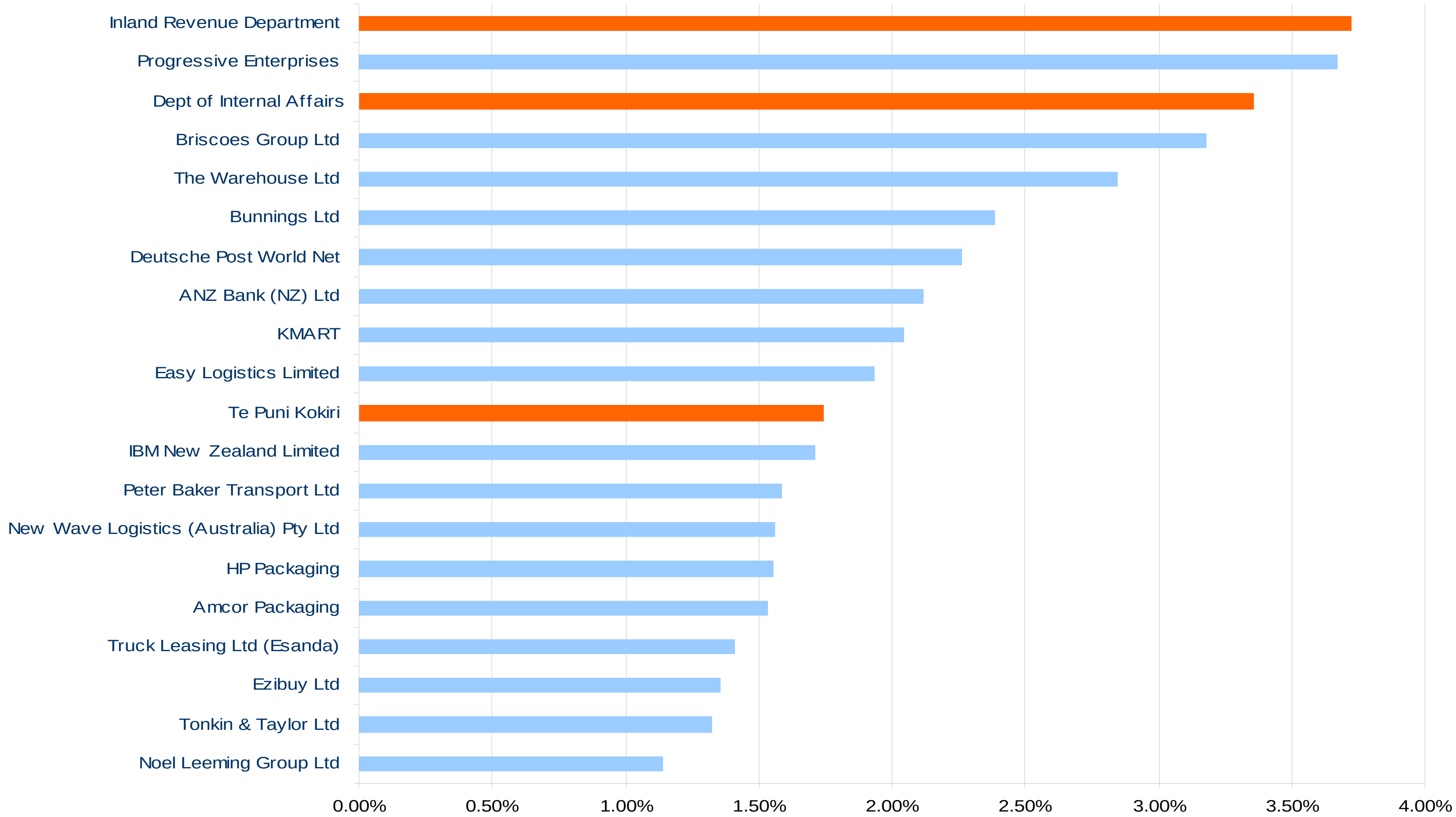
Lease expiry profile



As at 30 September 2008

Top 20 tenants

By gross rent (% of portfolio)



Outlook

- Commercial & Retail sectors experiencing increased supply and static or decreasing demand
- Vacancy levels at historic lows - but set to increase
- Rental growth continues – but future growth will be constrained
- Buyer demand for assets under $10m is present if well leased
- Construction pricing benefiting from more competitive environment
- Relocation costs and market percepts barrier to tenant movement

Conclusion

- ING Property Trust property portfolio is soundly positioned
- Diversified, low risk portfolio of quality properties
- Focus on debt reduction
- Property Management – do basics well
- Continuing to optimise the portfolio
- Risks mitigated through vacancy and expiry profile

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26 November 2008