NEWS RELEASE

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# ING Property Trust announces interim profit and distribution increase

ING Property Trust (the Trust) today announced it has recorded an unaudited pre-tax profit of $23.9 million for the six-month period to 30 September 2007. This is 9% over the previous six-month period and is largely the result of the solid performance from the core property portfolio. The Trust projects that the gross distribution will be a minimum of 9.85 cents per unit for the full year ending 31 March 2008. On a normalised basis, this will result in at least a 3.5% increase over the distribution paid in the previous year[1].

As at 30 September 2007, the Trust comprised 77 properties with a total property value of $1.1 billion, an increase of $49.6 million from 31 March 2007.

## E Block, Albany

The July acquisition of a 4.8ha leasehold property in Albany, Auckland for $24.4 million was followed in September with the announcement of an approved development proposal for approximately 50% of this site.

Risks of the development have been minimised by the use of secured joint venture structures, options on undeveloped land and in particular a participating ground rental structure, which makes leasehold rental proportional to the net rental received from the occupying tenants.

The project is to be anchored by a 10,000 sqm Mitre 10 Mega hardware store, which will be open for trading before Christmas 2008. Bulk retail specialty stores fronting Corban Avenue will follow in early 2009. The project is now over 60% leased.

There has been significant activity on the surrounding sites, most notably Westfield opening the country's largest integrated shopping centre. The rapid growth of the Albany area is adding greatly to the appeal of the Trust's land holdings in the area.

## Single property acquisitions

In addition to Albany Block E, the Trust has continued to acquire individual properties, both on and off market. During the period, three properties that will strengthen and enhance the quality of the Trust's portfolio were acquired for a total of $34.1 million. These are:

- 211 Albany Highway, North Shore City, Auckland (Yield 8.05%). This transaction involved the 'swap' of three of the Trust's smaller assets, 10 Cawley St, 306 Neilson St, and 27 Zelanian Drive. The property at 211 Albany Highway is fully leased to HP Packaging and adjoins the Trust's $13.5 million site at 1 Rothwell Ave.

- 80 Springs Rd, East Tamaki, Auckland (Yield 8.2%). This property adjoins five buildings owned by the Trust on the high profile corner of Springs and Harris Roads in East Tamaki. The property is fully leased to Fisher & Paykel Appliances.

- Pandora Rd, Napier (Yield 6.1%). This property is a redevelopment opportunity with potential for either an industrial showroom complex or a bulk retail facility. Currently occupied by tenants with monthly leases, the property is to be developed into a long-term asset for the Trust in co-operation with a local specialist developer. Resource planning is being undertaken and an Environment Court hearing is scheduled for March 2008.

[1] Last year's distribution of 10.5 cents per unit included 0.5 cents per unit of prepaid tax credits. To normalise the distribution per unit, the prepaid tax credits are moved from last year's distribution to this year's distribution. Last year's normalised distribution is 10.0 cents per unit and this year's normalised distribution will be a minimum of 10.35 cents per unit, a 3.5% increase.

### Property sales
Since inception, ING Property Trust Management Limited, the Trust's Manager has, and will continue to, review the Trust's property portfolio. This includes disposing of properties when it is determined that value has been maximised or the future return/risk profile of an asset does not meet the Trust's criteria. The Trust sold three properties in the period for a net gain of $2.2 million over acquisition cost.

### Portfolio development
The reinvestment of capital into the existing portfolio continues with the completion in April 2008 of the $6 million extension of an industrial building in East Tamaki. This building is subject to a new 15-year lease.

Six projects are in progress at a cost of $5.2 million and a further three significant projects (excluding E Block, Albany) are in the planning phase, with a combined estimated spend of $30 million.

### Portfolio management
The vacancy rate for the portfolio remains at under 1% and the tenant retention rate has been a very strong 95%. This reflects the consistent nature of the portfolio, as well as the level of service provided by the Trust's property managers.

In addition, 16 new leasing and 25 rental reviews were completed over the period. The rental reviews account for a total of $865,000 of additional rental income at an average increase of 13.2%. The normalised increase (excluding a 14 year ground rental review and a nil review) equate to a 7.8% increase, which on an annualised basis is an increase of 4.3%.

The average lease term for the entire portfolio has been maintained at 4.8 years. Only 9.4% of leases are due to expire in the next 12 months, and active management of the portfolio has ensured that leasing negotiations for many of these potential vacancies are already well advanced. A significant transaction was the leasing in advance of the space in the Old City Markets building in Auckland's Viaduct office precinct, which will be vacated in mid-2008 by GE. Two new "blue chip" tenants have already committed to this space and will commence occupation as soon as refurbishment work has been completed following GE's departure.

### Manawatu Business Park
A further three industrial developments at Manawatu Business Park have ensured continuing momentum for the Trust's joint venture initiative in Palmerston North. Keegan Contractors and Vestas New Zealand Wind Technology have committed to leases on new buildings, further cementing the appeal of the park to industrial occupiers.

### Unit buyback
The Trust announced in June its intention to undertake an on-market buyback of its units. Prior to 5 June 2008, the Trust may acquire up to 54.2 million units (being 10% of the number of units in the Trust on issue at 5 June 2007). The units repurchased by the Trust are deemed cancelled. To date, the Trust has acquired 20 million units for a cost of $23.7 million at an average unit price of $1.18.

### Dividend reinvestment plan
As announced on 29 August 2007, the dividend reinvestment plan has been suspended until further notice while the Trust is undertaking the on-market buyback of the Trust's units.

### ING Medical Properties Trust
In June, it was announced that the discussions between the boards of ING Property Trust Management Limited and ING Medical Properties Limited (formerly Calan Healthcare Properties Limited), regarding a proposed merger of the Trust with ING Medical Properties Trust, had ended.

### PIE benefits
As a result of recent changes in taxation legislation, the Trust has been allowed to enter the Portfolio Investment Entity (PIE) regime. Investors after-tax distributions for the first six months of the financial year are higher by:

- 52%, for 39% marginal taxpayers;
- 39%, for 33% marginal taxpayers; and
- 19%, for 19.5% marginal taxpayers.

Distribution

On 9 November 2007, the Trust announced it will pay a distribution of 2.375 cents per unit containing imputation credits of 0.345 cents per unit. The net distribution of 2.01 cents per unit is made up of two components:

- A fully imputed distribution of 0.70 cents per unit with imputation credits of 0.345 cents per unit attached; and
- An excluded distribution of 1.33 cents per unit.

The record date for the distribution is 7 December 2007 and the payment date is 14 December 2007.

The Trust projects that the gross distribution will be a minimum of 9.85 cents per unit for the full year ending 31 March 2008. On a normalised basis, this will result in at least a 3.5% increase in the distribution paid in the prior year. This projection is subject to a continuation of reasonable economic conditions.

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