

## PRESS RELEASE

Auckland, 28 May 2009

# ING simplifies offer to investors in ING Diversified Yield Fund and ING Regular Income Fund

- Offer will provide investors access to money now, and more choice, certainty and flexibility
- Investors to be offered special ANZ cash account for five years paying 8.3% per annum
- Offer packs to be mailed to investors shortly

**ING New Zealand today announced that it has finalised the details of the offer to investors in its two suspended funds, the ING Diversified Yield Fund (DYF) and the ING Regular Income Fund (RIF).**

Helen Troup, ING New Zealand Chief Executive Officer, said investors had waited a long time, and the company was now ready for the formal offer to be put to investors in the two suspended funds, which has been modified from the proposal previously announced on 25 February 2009.

"Since announcing our previous proposal, we have responded to the feedback from investors and advisers that five years was simply too long to wait for access to their money. The most recent assessment of the funds indicated that the future value of the units in the funds over the next five years is likely to remain lower than the offer prices.

"We have therefore found a way to provide investors with the bulk of their money back in five years' time, without requiring them to be locked into the funds when we believe there is likely to be no upside above the offer prices during that period. The proposal is now simpler, more flexible and it enables investors to decide what option is best for them, regardless of what other investors may decide.

"Our shareholders, ANZ National Bank Limited and ING Group, have stepped up and will commit more than \$400 million to enable each investor to have a simple choice: to receive a payment now of around three times the manager's current estimated value of their investment, or to realise even more than this by selling their units and investing their payment into an on-call ANZ Cash Account paying 8.3% per annum for five years. I am not aware of any other shareholder in New Zealand that has stepped up to provide this level of financial support when faced with similar circumstances.

"As a condition of accepting the offer, investors will be required to agree not to start or continue with any claims or legal action related to the funds. We believe that's a reasonable term as part of this very good offer," said Ms Troup.

Under the Cash Out Option, which has not changed, investors will be able to sell their units immediately for 60 cents per unit for DYF and 62 cents per unit for RIF. Under the modified Five Year Option, the proceeds from the sale of their units will be invested into a high interest ANZ Cash Account, and investors will have the ability to withdraw some or all of the money at any time in the five year period.

The changes to the Five Year Option will result in all investors gaining added flexibility and some investors potentially being able to receive higher returns (under current tax rates) than the previous proposal. Some investors will however receive a lower after-tax return depending on their tax rate and whether they withdraw any money earlier.

Investors can also choose not to accept the offer and can remain in the funds. If investors choose to do this, they will retain their rights in relation to the funds and will accept the market risks that go along with this decision.

Ms Troup said now that ING has been able to announce the detail of the upcoming full and final offer, its focus would be on ensuring investors have a full understanding of the options available to them through the offer pack, including an independent expert report, as well as investor briefings and access to a financial expert service.

"Investors will need to make whichever decision is best for them in light of their own individual circumstances. The offer is now simpler, so the offer will no longer be dependent on a collective unitholder vote," concluded Ms Troup.

The offer packs, which will contain full details of the offer and acceptance forms, will shortly be printed and will be with investors during the week commencing 8 June.

ENDS

For further and important information, please see the PDF attachment (The Offer – A Summary) or contact as below.

#### **Notes**

The offer will be made to investors by ING NZ AUT Investments Limited (ING Investments), a subsidiary of ING New Zealand, which will be established by ING New Zealand to make the offer. Under the offer, investors will be provided with a 'Cash Out' option to sell their units to ING Investments for 60 cents per unit for DYF or 62 cents per unit for RIF with the proceeds paid to them now. Investors will also be provided with a 'Five Year' option where they can sell their units to ING Investments at the same price as the 'Cash Out' option and then invest the proceeds in a special on-call ANZ cash account with an interest rate of 8.3% fixed for five years. Investors will be able to access all or part of their money in the ANZ cash account at any time and the account will be covered by the New Zealand deposit guarantee scheme. The offer is conditional on certain regulatory approvals being obtained, full details of which will be set out in the offer pack. Further information about ANZ National Bank Limited is contained in its most recent General Disclosure Statement published under section 81 of the Reserve Bank of New Zealand Act 1989, a copy of which can be obtained free of charge from the website [www.anz.co.nz](http://www.anz.co.nz) or through any branch of ANZ. The ANZ Cash Account is an unsecured debt obligation of ANZ National Bank Limited.

ANZ National Bank Limited has a guarantee under the New Zealand deposit guarantee scheme. There are limits on the application of the scheme to the ANZ Cash Account. These include restrictions on the type of investors who can benefit from the scheme; a limit on the aggregate amount that can be recovered by investors under the scheme; and the scheme terminates on 12 October 2010. Further information about the deposit guarantee scheme is available, free of charge and at all reasonable times, on the website of the Treasury at [www.treasury.govt.nz](http://www.treasury.govt.nz). The ANZ Cash Account does not receive the benefit of the New Zealand wholesale guarantee scheme.

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#### **Press enquiries**

Cynthia Church  
Auckland, New Zealand  
T 09 368 6701  
E [cchurch@ingnz.com](mailto:cchurch@ingnz.com)

Helen Troup  
Auckland, New Zealand  
T 09 356 4000  
E [htroup@ingnz.com](mailto:htroup@ingnz.com)

#### **ING Profile**

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 115,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.