ANNUAL
REPORT

ING MEDICAL PROPERTIES TRUST

2010

ING

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This page » Eastmed St Heliers, Auckland.

Cover » Napier Health Centre, Napier.

ING Medical Properties Limited (the 'Manager'), which is wholly owned by ANZ National Bank Limited, is the manager of the ING Medical Properties Trust (the 'Trust'). The Manager and the Trust have a licence from ING Corporate Services Pty Limited enabling them and related companies of the Manager and the trust to use the ING brand and certain trademarks owned by ING Group or its subsidiaries while transitioning to a new brand, to be known as Vital Healthcare Property Trust, as at 1 October 2010.

Highlights

→→

8.5cpu
full year cash distribution

8.6 year
weighted average lease term

99.5%
occupancy

2013
bank facility renewed until September 2013

2019
Hawke's Bay District Health Board lease in Napier extended to June 2019

$13.4m
operating profit increase of 14% to $13.4m

70
rent reviews resulting in an increase in rents reviewed of 4.2%

$10.5m
portfolio revaluation gain

Above »
Kensington Hospital, Whangarei.

Chairman's report

Bill Thurston
Chairman

In what has been another volatile year for many both locally and globally, I am pleased to report that the Trust has once again had another year of credible performance relative to the listed property sector and wider equity market.

This performance has enabled the Board to deliver a total cash distribution for the year ending 30 June 2010 of 8.5 cents per unit, in line with the guidance set by the Board in August 2009 of 8.4 to 8.6 cents per unit. Importantly, we have now provided to unitholders a cash distribution of 8.5 cents per unit for the third consecutive year. This is a significant feat considering the occurrence of the New Zealand recession and Global Financial Crisis (GFC) through that period.

Not only has the Trust delivered a stable cash distribution to unitholders over the past three years, but relative to the NZX Gross Property Index and the NZX50 Gross Index, over an extended timeframe the Trust now has an entrenched record of performance, as shown below in Table 1.

As can be seen in the below table, while the Trust hasn't quite kept up with the pace and extent of the recovery of the NZX Gross Property Index over a one year period, we did deliver a respectable 7.5% total return to unitholders, matching the NZX50 Gross Index returns for the period. It is also worth noting that the NZX Gross Property Index has come off a much lower base.

If you look further out over a three year investment horizon the Trust produced the only positive return over that period. On a five and seven year basis the Trust has continued to outperform the two indicies. Importantly, we delivered a consistently positive total return for unitholders over an extended investment horizon, which as I noted previously, included a sustained period of volatility in local and global markets.

In what has been, and remains, a very tough leasing market, to conclude the number of lease transactions the Manager achieved in the period, is an outstanding result. This improvement in occupancy levels to 99.5%, a gain of 1.5%, directly benefits the Trust's

Table 1. Investment Horizon

	1 year*	3 year	5 year	7 year
ING Medical Properties Trust	+7.5%	+2.5%	+9.9%	+11.4%
NZX Gross Property Index**	+11.7%	-8.5%	+2.7%	+6.5%
NZX50 Gross Index	+7.5%	-9.8%	-0.2%	+5.5%

*As at 30 June 2010
** Includes imputation credits

Over an extended timeframe the Trust now has an entrenched record of performance.

cash flow position, as it not only increases rental income, but it decreases expenses that have to be absorbed by the Trust while the space is vacant. Improved occupancy also strengthens the existing high quality underlying cash flows of the Trust, which has proven critical during this period of uncertainty.

This high level of occupancy is a fundamental indicator of the underlying relative resilience of the medical and healthcare sector in both New Zealand and Australia, although by no means is the sector totally immune from any ongoing volatility in economic and market conditions. A prime example of this is the recent reduction in the level of patient funding by ACC in New Zealand.

Through the year and post balance date, there were two external influences that will ultimately impact on the future performance of the Trust. Where possible we will continue to seek to mitigate the effect of these on unitholder returns through the ongoing active management of the Trust's portfolio.

The first of these related to the May Budget tax reforms in New Zealand. Notwithstanding that the corporate tax rate will decrease from 30% to 28% on 1 July 2011, the proposed removal of depreciation on non residential building structures and plant, fixtures and fittings was a potential blow, not just to the Trust, but to the listed property sector and all commercial property owners and investors.

As I noted in the Trust's interim report the tax reforms around depreciation were likely to impact not only on the Trust's tenants, but also the thousands of Kiwi mum and dad and institutional investors in the Trust. Also, denying depreciation on medical and healthcare property assets would impact on all private sector investment in healthcare infrastructure in New Zealand. As a result it is likely that we would see increased margins and thresholds for investment returns in order to offset the net tax cost, which is likely to be passed through to the healthcare sector operators and ultimately their patients and clients, further dampening potential growth in the sector.

Management made submissions on behalf of the Trust and through the Property Council of New Zealand against the removal of depreciation on building structures, however the May Budget confirmed that depreciation will no longer be able to be claimed on non-residential building structures effective from the commencement of the 2012 income tax year, which for the Trust is 1 July 2011.

The outcome of this was disappointing, however it now seems that the submissions were partly successful. At time of print, the IRD and Treasury released a paper that appears to favour the ongoing ability to depreciate non-residential building fixtures and fittings and plant and equipment. If this position is adopted by the Government, it will be a positive result for unitholders. We will keep unitholders informed as we learn more about this.

Chairman's report (cont.)

The impact of these tax reforms reinforces one of the benefits of the Trust having a diversified portfolio of properties, with 37% of its assets in Australia. Due to this, the net result of any unfavourable tax reforms is less likely to impact on the Trust and unitholder returns, particularly when compared to those property entities with 100% of their properties based in New Zealand.

While we are as yet unable to quantify the impact of all the above reforms, due to some not yet being legislated, the impact of the removal of depreciation on building structures alone will result in an expected decline in the Trust's earnings for the 2012 financial year.

The second external influence is as a direct result of the GFC and the retraction of global and local credit markets and the availability and cost of debt. As at 30 June 2010 the Trust had bank borrowings of $97.7m, with a facility limit of $135m. With the bank facility due to expire in March 2011 this debt facility became a current liability in the 2010 financial year. With the consequence of the GFC being a tightening of the availability of credit it was important that the Trust obtain a commitment to ongoing financing of the Trust's operation. Business can no longer rely on the automatic roll-over of existing facilities and there is a need to provide certainty of funding which necessitated securing a facility well ahead of the expiry of the existing facility. Recognising that one of the core principles of the Trust is to maintain a structured and low risk capital and treasury management strategy, the bank facility has now been renewed to September 2013, well ahead of the expiry of the current facility.

While the Trust had the benefit of an existing bank facility with terms agreed before the depths of the GFC, it was inevitable that in securing a renewed facility to September 2013, the Trust would be faced with a more expensive cost of funds, which is reflective of current market lending conditions. In seeking the renewal of the bank facility the Trust took the opportunity to ensure that the terms and conditions were market competitive and it was pleasing to have the ANZ National Bank Limited, as the incumbent, in the position to continue their ongoing facility, based entirely on the market terms offered.

The secured bank facility together with the sale of selective non-core, lower value assets, illustrates the strong management of the Trust's capital base during the GFC and trough in the property cycle with the Trust's gearing, or debt-to-total-assets ratio down 3.1% to 32.6% as at 30 June 2010. Gearing sits well below the Trust's bank and Trust Deed covenant ratios of 50%.

Above »
Eastmed St Heliers,
Auckland.

Vital
Healthcare Property Trust

One of the highlights post the 30 June 2010 balance date was the announcement that ING Medical Properties Limited, the manager of the Trust would be changing its name and therefore the Trust's name to Vital Healthcare Property from 1 October 2010.

The new name and brand for Vital Healthcare Property Trust followed the announcement that ING New Zealand (INGNZ) was changing its name to OnePath, later this year. The changes are the result of INGNZ becoming a wholly owned subsidiary of ANZ National Bank Limited, part of the ANZ Group, back in November 2009. As part of the acquisition, INGNZ and all of its subsidiaries, including the Manager, were required to change their name.

As part of the new brand for INGNZ, ING Medical Properties Trust has developed its own independent brand, which confirms our specialist expertise in the property sector as New Zealand's only NZX listed healthcare property investment entity. This is a logical and positive step for the Trust and 'Vital Healthcare' clearly reinforces the characteristics and objectives that have delivered successful results for our unitholders.

Vital Healthcare Property will continue to represent the medical and healthcare assets focus of the Trust as well as the energy and passion the Trust's manager brings to managing and enhancing a diversified portfolio of quality assets within the sector. The Trust will continue to focus on investing in high-quality health and medical related properties in New Zealand and Australia.

The various subsidiary companies and management entities associated with the Trust will adopt the new name and brand. The management team and Board of the Manager will remain unchanged, however the new NZSX ticker code will be VHP, and will be active on 1 October 2010, with further communications to unitholders at that time.

As previously advised all the costs in relation to the new name and re-branding are being incurred by the Manager, not the Trust or unitholders.

Following on from the enhanced corporate governance procedures the Board introduced in 2007, I would like to remind unitholders that they are entitled to nominate and vote for an Independent Director of the Manager at this year's Annual Meeting in November, on a date yet to be confirmed. This year Graeme Horsley, who has now been on the Board since 2007 will retire by rotation and has indicated he will offer himself for re-election. Nominations for Independent Director will be called for shortly.

The outlook for 2011 and beyond, like with all New Zealand listed property entities will continue to be challenging. The imposition of higher total funding costs commencing in the 2011 financial year will result in lower forecast cash distribution guidance for 2011. Additionally, tax reforms will also have an impact on future earnings and it is therefore difficult to forecast with any real certainty what the financial and economic landscape may look like 12 months from now. In recognition of the factors that may influence and contribute to future earnings the Board is forecasting a full year 2011 net cash distribution range of 8.00 to 8.20 cents per unit, subject to market and economic conditions remaining generally stable over the course of the year.

We have also been asked by unitholders if we have the intention of growing the portfolio through acquisition. While we have not yet been successful in that area, it does not mean that we are not considering opportunities. I am mindful that we are patient and deliberate about ensuring that we strengthen the portfolio with the right assets, rather than just any assets to ensure we enhance and diversify unitholder returns.

On behalf of the Board and Manager I would like to acknowledge the continued support of unitholders over the previous year and in particular those that have now invested over the longer term, thank you for you ongoing endorsement of the Trust. Both the Board and Manager are committed and remain focussed on enhancing the Trust's overall position to deliver the best possible outcomes to unitholders.

Kind regards

Bill Thurston
Chairman
ING Medical Properties Limited

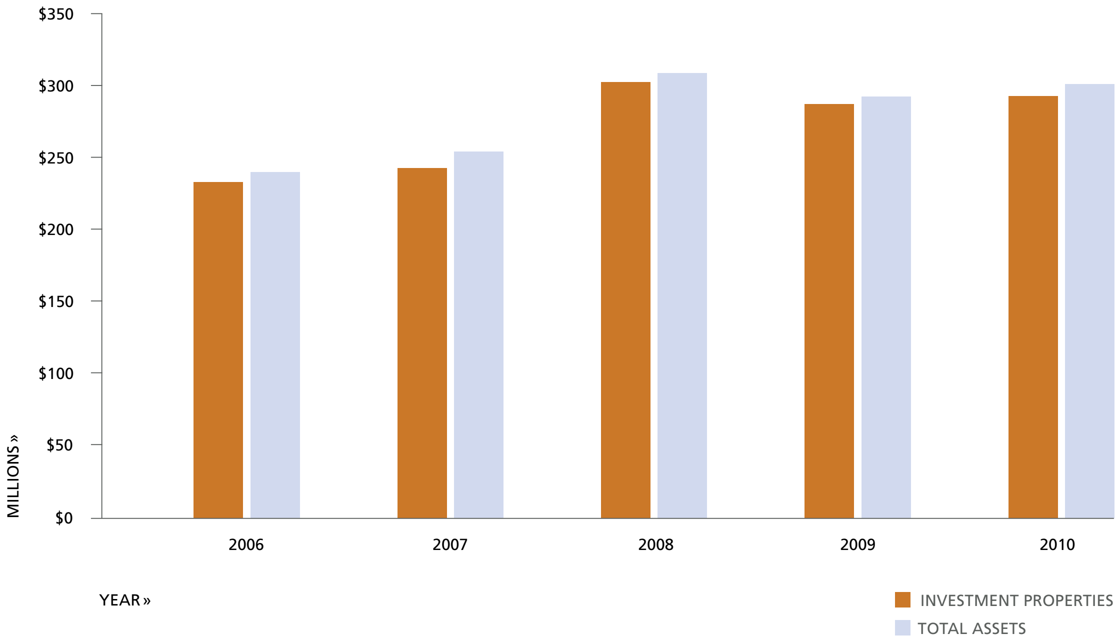
Results at a glance

Financial summary

	2006 (NZ GAAP) $000s	2007 (NZ IFRS) $000s	2008 (NZ IFRS) $000s	2009 (NZ IFRS) $000s	2010 (NZ IFRS) $000s
Net property income	17,975	18,648	21,040	22,719	**24,287**
Profit before financial income/(expenses) and other gains/(losses)	15,399	14,455	17,261	18,998	**20,897**
Unrealised foreign exchange gain/(loss)	–	128	(4,225)	403	**259**
Revaluation gain/(loss)	11,391	13,566	(1,514)	(7,078)	**10,476**
Profit/(loss) for the year (after taxation)	10,648	25,108	8,632	(2,161)	**7,438**
Earnings per unit – cents per unit	7.70	18.06	6.17	(1.53)	**5.22**
Investment properties	228,963	242,448	297,801	286,227	**291,990**
Total assets	239,773	251,019	310,063	295,287	**299,545**
Bank loan drawn	57,951	56,029	108,157	105,376	**97,675**
Total liabilities: total asset ratio	25.3%	32.8%	44.5%	46.4%	**48.2%**
Debt to total assets ratio	24.2%	22.3%	34.9%	35.7%	**32.6%**
Cash distribution to unitholders – cents per unit	9.39	7.64	8.50	8.50	**8.50**
Net assets backing per unit – cents per unit	1.29	1.21	1.23	1.12	**1.08**
Total equity	178,999	168,708	172,032	158,420	**155,166**

Note: 2006 was reported under NZ GAAP.

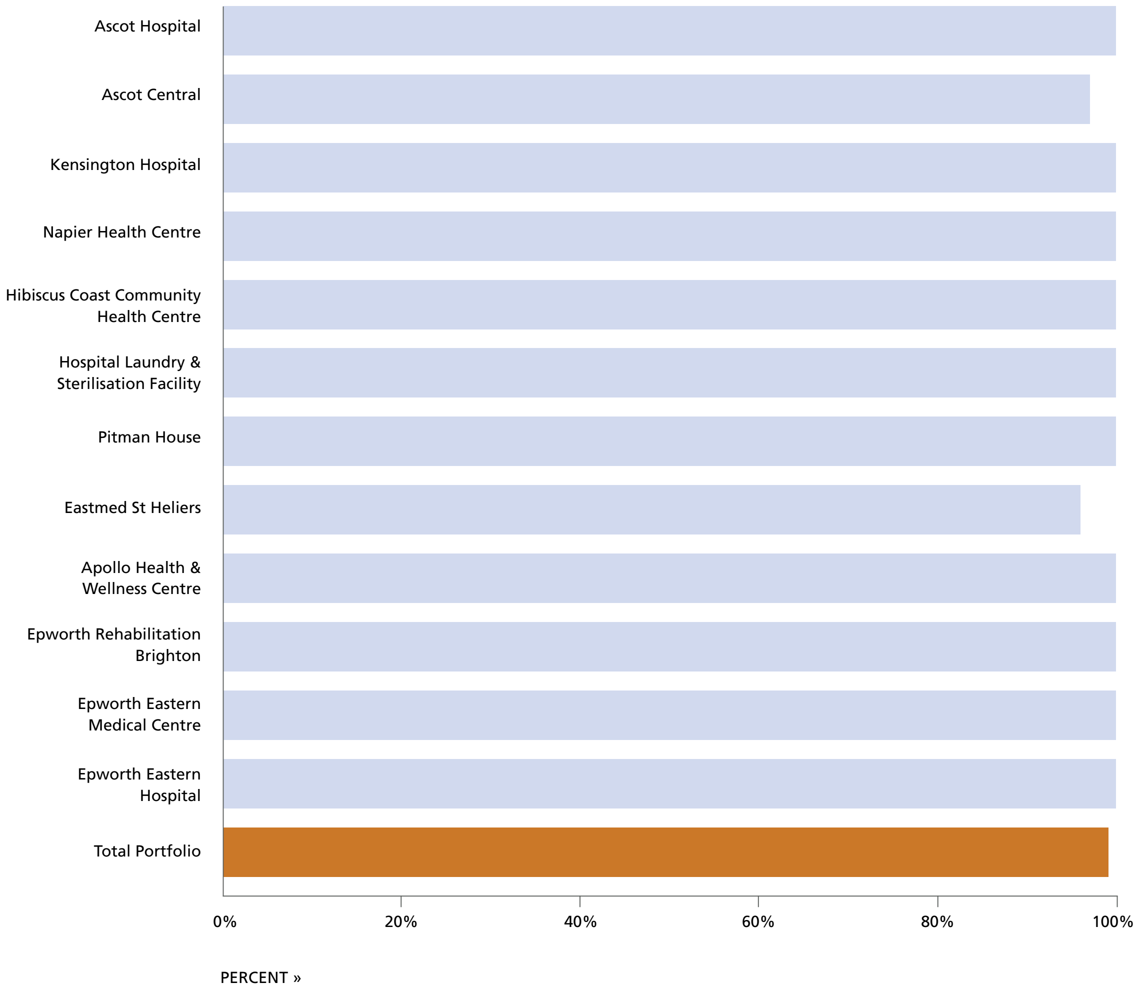
Assets



Portfolio metrics

	2006	2007	2008	2009	2010
Investment properties ($m)	229.0	242.4	297.8	286.2	**292.0**
Number of properties	14	15	16	16	**14**
Average property value ($m)	16.35	16.16	18.61	17.89	**20.86**
Number of tenants	82	89	102	98	**106**
Occupancy factor (sqm)	82.0%	99.0%	94.3%	98.0%	**99.5%**
Weighted average lease term (years)	10.76	10.00	9.30	9.00	**8.60**
12 month lease expiry	0.9%	1.7%	9.3%	2.6%	**2.6%**
Net lettable area (sqm)	57,208	55,679	65,815	62,068	**62,106**

Occupancy Profile



Manager's report

David Carr
General Manager

Financial performance
Due to improved portfolio occupancy and rental income at both Ascot Central and Eastmed St Heliers the Trust's operating profit before tax increased 14% to $13.4m, however this was partly offset by an increase in the Trust's cost of debt over the period. In calculating the operating profit before tax, unrealised items including property revaluation gains of $10.5m, foreign exchange gains of $0.3m and interest rate swaps decline of $0.05m are removed.

The Trust's 2010 net profit after tax is $7.4m compared to 2009 loss of $2.2m with the current year's tax expense including an unrealised adjustment of $15.5m to deferred tax as a consequence of the recent government tax changes disallowing depreciation on buildings.

While these adjustments are required for accounting purposes, it is important that unitholders recognise that they do not impact on the operating profit of the Trust or the net distributable profit of $11.7m available to unitholders, as evidenced by the 8.5 cents per unit cash distribution being paid for the year to 30 June 2010.

As was advised in the Trust's 2009 Annual Report, during the 2010 financial year the Trust's effective income tax rate reverted back to a more normalised level of 13.6% of gross distributable profits. This has resulted in imputation credits being attached to the distributions paid through the year amounting to a total of 0.98 cents per unit.

Portfolio performance
Portfolio occupancy levels have improved 1.5% to 99.5%, with only two tenancies, comprising 250 square metres, currently available for lease. The Green Star New Zealand – Office Design four star rated Ascot Central, is now 94% leased, an impressive 16% increase from June 2009. With just 155 square metres remaining at Ascot Central this is an outstanding result in what has been an exceptionally tough leasing market.

The Trust gained a net total of 13 new tenants over the course of the year, further improving the overall tenancy diversification in the property portfolio. These tenants have committed to 1,300 square metres of space at a net rental of $493,000 per annum with a combined weighted average lease term (WALT) of 5.6 years. Lease incentives on the above transactions equated to 7.6% of the net income over the WALT. This sits well below current market incentive levels which have been up to 25% in the Auckland CBD office market.

The Manager continues to recognise the importance of strong tenant relationships and has worked particularly hard over the last 12 months to mitigate future risk in the Trust's property portfolio. We were pleased to announce in May that we had secured the Hawke's Bay District Health Board's commitment to occupy 100% of the Napier Health Centre from 1 July 2010 until 2019. While the lease was re-negotiated to reflect

Following the completion of the independent valuations, the Trust's portfolio value has increased by 3.7% or $10.5m over the 12 months to 30 June 2010 on a like for like basis.

current market conditions, the Hawke's Bay District Health Board covenant provides exceptional certainty of income over the long term for unitholders.

Not only did we add 13 new tenants to the portfolio, improving overall diversification, but we have also retained 100% of the incumbent tenants that had lease expiries over the course of the year. Specifically, the Manager has secured 19 lease renewals and lease extensions equating to a WALT of 7.3 years for those transactions, with the Trust's total portfolio WALT at 8.6 years as at 30 June 2010. Once again this is a solid outcome and a clear indication of the level of satisfaction that the Trust's existing tenants have with the properties that they occupy, and the close working relationship they have with the management team.

The Manager also completed 70 rent reviews to 30 June 2010, with the average increase in rents reviewed of 4.2%.

Property revaluations

Following the completion of the independent valuations, the Trust's portfolio value has increased by 3.7% or $10.5m over the 12 months to 30 June 2010 on a like for like basis.

The overall asset values reflect the relatively stable period of underlying sector fundamentals and overall enhancement of many of the Trust's core portfolio and property metrics. Additionally, it now appears that the softening of market capitalisation rates has slowed and in some instances stabilised for certain asset classes.

The valuations show the aggregate value of the Trust's portfolio at $292.0m with the apportionment between the New Zealand and Australian properties at $184.8m and $107.2m respectively. This excludes the unconditional sale of the Waipukurau property which is yet to settle. The Trust's portfolio now reflects a weighted average capitalisation rate of 8.7%, which is marginally firmer than 12 months ago. In aggregate, the valuations determined that the Trust's portfolio is approximately 2.0% under-rented as at 30 June 2010.

For the 30 June 2009 financial results the net tangible asset ('NTA') per unit of $1.17 was reported, which on a like for like basis would result in an NTA of $1.27 as at 30 June 2010. However due to recent changes announced in the May 2010 Budget and subsequent NZ IFRS requirements, the Statement of Financial Position now reflects the required deferred tax adjustment, which results in an NTA of $1.08 as at 30 June 2010 (2009: $1.12). This includes the deferred tax adjustment of $15.5m, which will not require payment pursuant to current New Zealand tax law.

As a result of the revaluation gains the Manager, in accordance with the terms of the Trust Deed, will be entitled to an incentive fee of $120,161 payable in units in the Trust.

Manager's report (cont.)

Outlook

The property portfolio outlook is resilient, with around 90% of the Trust's 2011 rent reviews subject to Consumer Price Index movements, a low level of lease expiries in 2010 and portfolio occupancy levels starting the year at 99.5%, with approximately 250 square metres remaining vacant. The Manager remains focussed on maintaining the portfolio at optimal levels and ensuring that the fundamental and often specialised requirements of the tenants, which have been critical to the success and performance of the Trust, remain a top priority and core focus of the Manager.

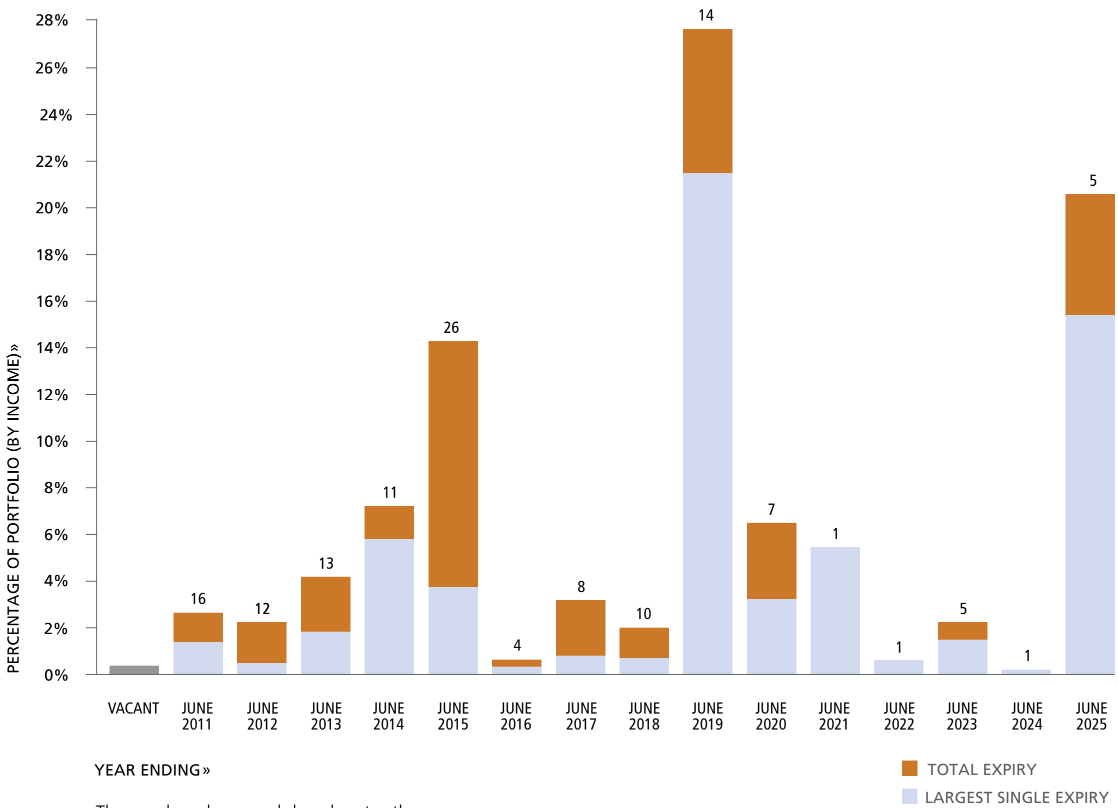
The chart below presents the lease expiry profile of the Trust over the next 15 years, including, in blue, the single largest lease expiry in each year. The Trust has a 2.6% lease expiry profile to 30 June 2011, representing 16 tenants, all of which are healthcare related and the Manager will be targeting a high rate of renewal. For the year ending 30 June 2012 there are 12 expiries representing 2.2% of total income. The next two years provides unitholders with an indication of the relatively low risk profile of the Trust's income over the period, notwithstanding any unforeseen portfolio or economic events.

It also shows two substantial single tenant expiry concentrations in 2019 and 2025 when the Trust's two largest hospital tenants' leases expire, however both tenants have further rights of renewal of 20 years each. The Manager continues to focus on the proactive resolution of future lease expiries in order to provide a low risk, stabilised portfolio platform and income security for the Trust and unitholders.

The Manager will continue to consider future asset sales as one of a range of options to manage the Trust's overall capital position and optimal portfolio mix.

The Trust's strategy of investing in specialist healthcare property assets in New Zealand remains a core focus. The Trust is also well positioned with its existing assets in Australia to leverage into opportunities in a

Lease maturity profile by rent – as at 30 June 2010



The number above each bar denotes the total number of tenant expiries per year.

strong and growing Australian economy supported by an ageing and expanding population. These opportunities will be essential in delivering the ongoing strategy of the Trust to protect and enhance unitholder returns.

The sector is not immune from the effects of the market and economic volatility that surrounds it however and there remains moderate pressure in both New Zealand and Australia relating to the provision of healthcare services, including private healthcare insurance coverage, demand for healthcare resources and medical inflation. Offsetting this is the continued ageing demographic profile in both countries, which is expected to mitigate any material negative effects in the sector over the long term.

The Manager also looks forward to the launch of the new Vital Healthcare Property name and brand from 1 October 2010, when the NZSX ticker will also change from IMP to VHP. It is important that unitholders recognise that, notwithstanding the name and brand change, the ongoing strategy of the Trust and commitment of the Manager remains the same. The current strategy will not change; nor is there any planned change to the Board or the Management team, it is business as usual.

Above »
Pitman House,
Pt Chevalier, Auckland.

Property portfolio

→→

01

Ascot Hospital & Clinics
Greenlane, Auckland*

Surgical & Medical

Market value	$84.7m	**Occupancy**	100%
Market capitalisation rate	9.1%	**Net lettable area**	11,280 sqm
WALT	8.1 years	**Major tenant**	Ascot Hospital & Clinics

*Excludes leasehold carparks

02

Epworth Rehabilitation, Brighton, Melbourne

Surgical & Medical

Market value	$16.9m	Occupancy	100%
Market capitalisation rate	10.5%	Net lettable area	3,297 sqm
WALT	3.6 years	Major tenant	Epworth Foundation

03

Epworth Campus, Box Hill, Melbourne

Surgical & Medical

Market value	$90.3m	Occupancy	100%
Market capitalisation rate	8.2%	Net lettable area	14,793 sqm
WALT	11.6 years	Major tenant	Epworth Foundation

Property portfolio (cont.)

→→

04

Kensington Hospital, Kensington, Whangarei

Surgical & Medical

Market value	$15.6m	Occupancy	100%
Market capitalisation rate	8.8%	Net lettable area	2,556 sqm
WALT	10.9 years	Major tenant	Kensington Hospital

05

Eastmed St Heliers, St Heliers, Auckland

Primary & Community Care

Market value	$8.4m	Occupancy	95%
Market capitalisation rate	8.8%	Net lettable area	2,029 sqm
WALT	5.6 years	Major tenant	Eastmed St Heliers

06

Hibiscus Coast Community Health Centre, Whangaparoa, Auckland

Primary & Community Care

Market value	$3.9m	Occupancy	100%
Market capitalisation rate	9.2%	Net lettable area	1,430 sqm
WALT	1.0 years	Major tenant	Waitemata District Health Board

07

Napier Health Centre, Napier, Hawke's Bay

Primary & Community Care

Market value	$10.4m	Occupancy	100%
Market capitalisation rate	8.5%	Net lettable area	4,300 sqm
WALT	9.7 years	Major tenant	Hawke's Bay District Health Board

Property portfolio (cont.)

08

Apollo Health and Wellness Centre, Albany, Auckland

Primary & Community Care

Market value	$21.7m	Occupancy	100%
Market capitalisation rate	8.3%	Net lettable area	4,890 sqm
WALT	8.0 years	Major tenant	Apollo GP's

09

Hospital Laundry and Sterilisation Facility, Pt Chevalier, Auckland

Health Support Services

Market value	$12.6m	Occupancy	100%
Market capitalisation rate	8.8%	Net lettable area	9,293 sqm
WALT	4.6 years	Major tenant	Taylors Group

10

Pitman House,
Pt Chevalier, Auckland

Health Support Services

Market value	$4.7m	Occupancy	100%
Market capitalisation rate	9.8%	Net lettable area	1,688 sqm
WALT	2.1 years	Major tenant	Waitemata District Health Board

11

Ascot Central,
Greenlane, Auckland*

Health Support Services

Market value	$19.9m	Occupancy	94%
Market capitalisation rate	8.1%	Net lettable area	4,780 sqm
WALT	8.0 years	Major tenant	Fertility Associates

*Excludes leasehold carparks

Board of Directors

From left to right »
Andrew Evans, Graeme Horsley,
Bill Thurston & Peter Brook.

The Board comprises two Independent Directors and two Non Independent Directors and is committed to appointing Directors with complementary skills and knowledge who will at all times act in accordance with the highest ethical standards.

William (Bill) Thurston
Chairman and Independent Director

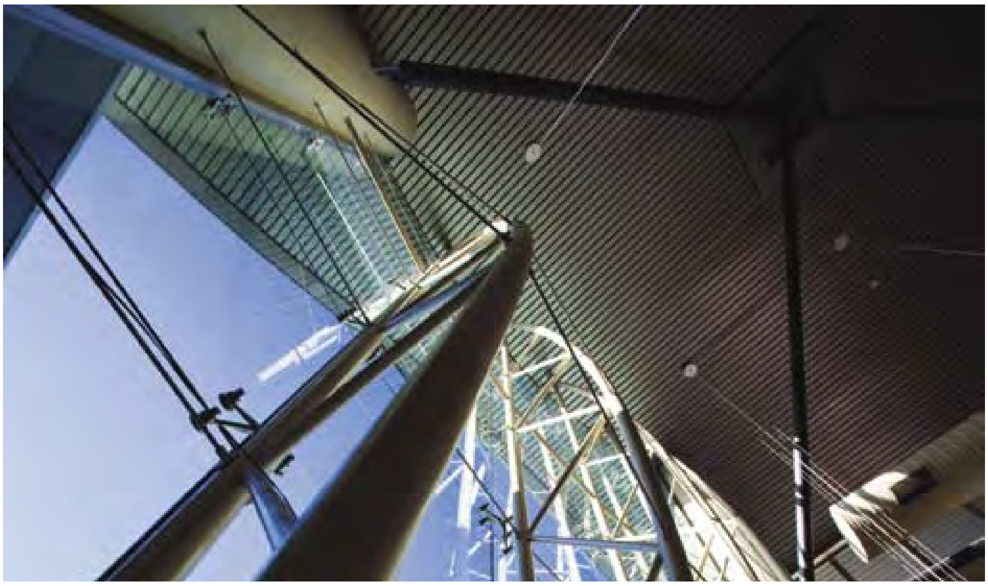
Bill Thurston has over 40 years' legal experience, including General Counsel for Fletcher Challenge Limited and as a former Chairman of lawyers Bell Gully. He is the current Chairman of The University of Auckland Business School Advancement Group. He has extensive corporate governance, legal and property expertise both in New Zealand and overseas markets.

Graeme Horsley MNZM
Independent Director

Graeme Horsley has over 40 years' property valuation and consultancy experience, including 14 years with Ernst & Young New Zealand where he was a Partner and National Director of the Real Estate Group. Graeme is a Member of the New Zealand Order of Merit, a Life Fellow of the New Zealand Institute of Valuers (now the Property Institute of New Zealand) an Eminent Fellow of the Royal Institution of Chartered Surveyors, a member of the American Society of Real Estate Counselors and an Accredited Member of the Institute of Directors. Graeme is a professional director, chair of Ngati Whatua o Orakei Corporation, an independent director of the AMP New Zealand Office Trust and Trust Investments Management Limited. Graeme has extensive experience in the valuation of specialised property and infrastructure assets, and the establishment and implementation of corporate real estate strategies. He has written and presented extensively on public and private real estate matters.

Peter Brook
Director

Peter Brook has over 20 years' experience in the investment banking industry, during which time he held the positions of Head of Research, Head of Investment Banking and Managing Director of Merrill Lynch (New Zealand) Limited. Mr Brook retired from Merrill Lynch to pursue his own business and consultancy activities



The Board of Directors of the Manager has overall responsibility for the management of the Trust. The Board is committed to the highest standards of corporate governance, business ethics and accountability.

at the end of 2000. He is also a Trustee of the Melanesian Mission Trust Board, a member of the Institute of Finance Professionals New Zealand Inc., a director of Trust Investments Management Limited, ING Property Trust Management Limited, Burger Fuel Worldwide Limited and several other private companies.

Andrew Evans
Director

Andrew Evans is an accomplished executive who is highly experienced across the fields of commercial real estate and asset management, having held the position of Managing Director of the Manager for four years until stepping down in 2007. Prior to this, Mr Evans was responsible for the direct property mandates at ING (NZ) Limited, where he was the General Manager, Property. Other governance roles held by Mr Evans are with ING Property Trust Management Limited and Holmes Group Limited where he is a director. In addition Mr Evans is a past National President of the Property Council of New Zealand and a foundation member of the New Zealand Property Institute.

Executive team

From left to right »
Drugh Woods, Mark Norman, Bridget Spraggon, David Carr, Mark van der Ham & Stuart Harrison.

This small, but successful team come from a range of property, investment, development and finance backgrounds.

The business principles of the Manager are based on the values of the ING (NZ) Limited: entrepreneurship, professionalism, teamwork, responsiveness and integrity. The Manager applies these principles to every aspect of their work and recognises the importance of partnering with unitholders and tenants to ensure that they continue to deliver favourable outcomes and results.

David Carr
General Manager

David has been General Manager since 2006 and has overall responsibility for the Trust's performance and the implementation of the Trust's strategy, along with all unitholder, analyst and market communications. David has over 18 years' local and international property experience, specialising in investment, management and development in a range of property asset classes. David has a Bachelor of Business Studies in Property Valuation and Management.

Stuart Harrison
Chief Financial Officer and Company Secretary

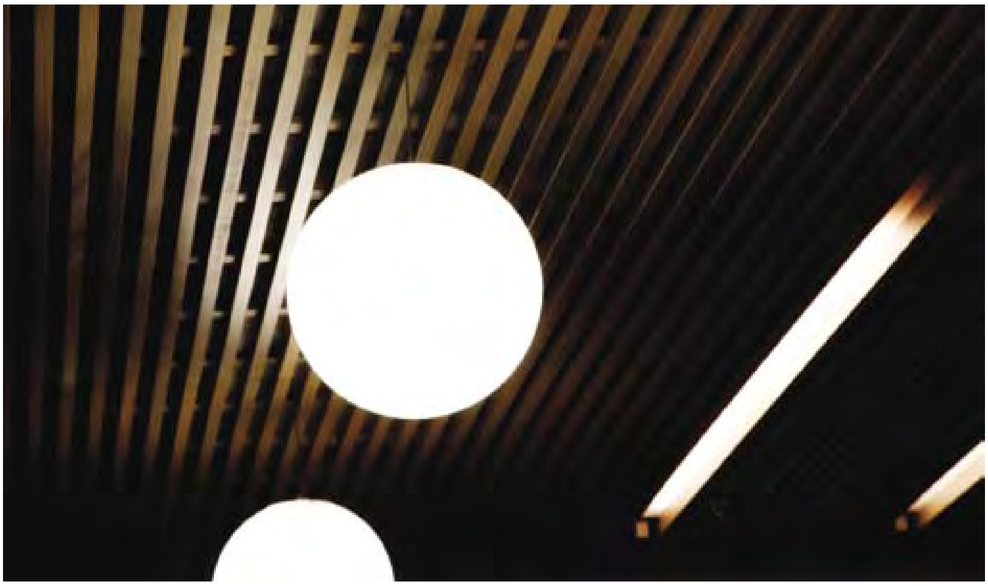
Stuart commenced with the Real Estate division of ING (NZ) Limited in September 2008 and is responsible for overseeing the financial and corporate functions of the Trust.

Along with a Bachelor of Commerce and Chartered Accountant qualifications Stuart has 26 years of financial reporting and management experience within the Chartered Accountancy, utilities and hospitality/property industries. Most recently he was the Vice President-Finance for NZX listed Millennium and Copthorne Hotels New Zealand Ltd and subsidiaries, which also include CDL Investments New Zealand Ltd.

Bridget Spraggon
Marketing and Communications Manager – Real Estate

Joining the real estate team in January 2008, Bridget is responsible for the marketing and communications activities and initiatives of the Trust.

Suitably qualified with a Master of Arts and a Postgraduate Diploma in Business Administration (Marketing) from Auckland University, Bridget brings with her a wide range of experience from the publishing and wine industries. Bridget joined ING in 2007, as a Communications Executive.



The well-qualified and dedicated ING Medical Properties Limited management, accounting and administration teams are an integral part of the Trust's activities and performance.

Mark Norman
Asset Manager

Mark is responsible for managing the financial performance of the Trust's property assets. He also oversees all of the Trust's development projects.

Mark has more than 14 years' experience in the healthcare property industry and was previously development manager for the Trust, involved in the delivery of most of the Trust's major assets, including Ascot Hospital, Epworth Eastern Campus and the Napier and Hibiscus Coast health centres.

Mark van der Ham
Senior Property Manager

Mark joined the Manager in July 2007, and is responsible for the management of the Trust's New Zealand portfolio. He has more than 16 years' commercial, retail and industrial property management experience, including time with Jones Lang LaSalle.

Mark has a Bachelor of Science from Natal University and moved to New Zealand with his family in 2001.

Drugh Woods
Property Manager

Drugh has been involved in various retail and commercial property management initiatives following his graduation from Auckland University in 2003 with a Bachelor of Property.

Drugh is the latest addition to the ING Medical Properties team, joining in September 2008.
He is responsible for the day to day management of the Trust's New Zealand assets.

Environmental care and the community

Above »
Garden, Apollo Health & Wellness Centre, Albany.

The protection of the environment has become more important. Scarce resources must be preserved for future generations. At the same time, there is a growing awareness that many environmental issues do not stand alone, but are intertwined with broader social and political developments.

We are committed to conducting our business responsibly and environmental protection and sustainability is a fundamental part of this commitment.

Healthy economic growth and environmental care are two sides of the same coin. We believe that companies like ING Medical Properties Limited (the "Manager") have an important role to play in contributing to sustainable development.

All employees of the Manager are expected to be aware of environmental issues and encourage environmentally responsible behaviour among staff. Over and above our in-house recycling and printing initiatives, we believe our biggest impact on the environment can be seen in our buildings and building management policy and our communications.

Communications and reporting
ING Medical Properties Limited uses vast quantities of paper for its internal and external communications. To limit our impact on the environment we aim to reduce paper consumption, by making greater use of electronic communications like the internet. The Trust's website allows unitholders and potential investors to read various communications via the web, which further minimises the amount of paper used. Recently, unitholders were offered the opportunity to receive communications from the Manager via email. Approximately 15% of unitholders took up the offer.

Where printing is required, the Board encourages business units to use environmentally friendly paper that is non-bleached (ECF and TCF) and originates from sustainable sources. The Manager uses a range of environmentally responsible paper stock for all printed unitholder publications.

Advance Laser is an environmentally responsible paper manufactured from farmed trees under the environmental management system ISO 14001. The paper is elemental chlorine free and manufactured from fast-growing eucalyptus trees.

The water used in the production of Advance Laser is sourced from the Advance Agro mill's own purpose-built reservoir which collects rainwater and run off. Advance Agro uses tree waste (bark and lignin) to generate electricity to run its mill.

Printing companies used by the Manager use the latest in vegetable oil-based and mineral oil-free inks for all printed publications. These inks contain less chemicals, are more biodegradable and more carbon efficient than their synthetically produced counterparts.

ING Medical Properties Limited recognise that certain natural resources are finite and must therefore be used responsibly.

Above »
Kensington Hospital, Whangarei.

Our building management policy
As a responsible manager, we will ensure that where possible each of the Trust's investments has initiatives to achieve environmentally sustainable features in the individual building strategic plans. We consider the initiative to produce and maintain environmentally responsible developments a fundamental requirement of any project, be it a new development or a refurbishment.

This view is supported by tenant demand for environmentally sustainable accommodation that:

Provides a reduction in operating costs;
—
Provides an improved environment for the occupants;
—
Mitigates the functional obsolescence of an investment; and
—
Results in increased tenant demand for the Trust's assets, and an enhanced property value.
—

The Manager is committed to finding new and innovative ways of making the Trust's new and existing buildings more environmentally sound and sustainable. ING (NZ) Limited is a member of the New Zealand Green Building Council, the non-government organisation comprising industry leaders who are committed to developing market based solutions that help deliver efficient, healthier, innovative and environmentally sustainable buildings for New Zealand.

To date, the primary application has been with the development of Ascot Central, where a number of green building design initiatives formed part of the development. Ascot Central was awarded a Green Star New Zealand – Office Design four star rating in April 2009. In order to achieve this, a number of innovative sustainable building strategies were considered and selected for this project and materials were chosen for durability, recycled content and low or zero air emissions.

Ascot Central's design initiatives include:
—
Rainwater harvesting
—
Bicycle racks
—
Sensor lighting
—
Waste recycling
—
Building materials
—
Efficient and effective services

Corporate governance

→→

The Trust

ING Medical Properties Trust is a unit trust established under the Unit Trust Act 1960 by a Trust Deed dated 11 February 1994, as amended by Deeds of Variation and Restatement dated 1 September 1999, 10 November 2003, 12 November 2007, 12 December 2007 and 5 August 2008.

ING Medical Properties Trust units are listed on the New Zealand Stock Exchange (NZX code: IMP).

A copy of the amended Trust Deed is available from ING Medical Properties Limited (the "Manager") on request or can be viewed at the Manager's registered office at Level 27, ASB Bank Centre, 135 Albert Street, Auckland, during normal business hours. A copy has also been filed with the Companies Office of the Ministry of Economic Development and may be viewed, on payment of a nominal fee, on the Companies Office website at www.companies.govt.nz.

The Trustee

The Trustee of the Trust is Trustees Executors Limited ("Trustees Executors").

Trustees Executors is empowered as a statutory trust company by its own Act of Parliament and has been re-registered under the Companies Act 1993, and acts as trustee for unit trusts under the Unit Trust Act 1960.

The role of the Trustee is to supervise the administration and management of the Trust in accordance with the Trust Deed, and to ensure that the Manager complies with its duties and responsibilities under the Trust Deed. Where the approval of the Trustee is required, the Trustee is to have regard to the interests of unitholders and has the explicit obligation to veto any proposal that it does not consider to be in the interests of unitholders. The Trustee must also be satisfied that any proposal involves an investment of a type authorised under the Trust Deed and within the investment policies of the Trust.

The Trustee holds title to the assets of the Trust in trust for the unitholders, upon and subject to the terms and conditions of the Trust Deed. The Trustee also has certain discretions and powers to approve investment and divestment proposals recommended to it by the Manager and reviews and authorises all payments made by the Trust.

The Trustee is entitled to receive fees in respect of its services based on the average gross value of the assets of the Trust as follows: 0.10% per annum on the first $100 million, then 0.08% per annum on the next $25 million, then 0.05% per annum on the next $25 million and 0.03% per annum on any amount over $150 million. The Trustee is also entitled to reasonable reimbursement for special attendances.

The Manager
The Manager of the Trust is ING Medical Properties Limited, a company owned 100% by ING (NZ) Limited.

On 30 November 2009, ANZ National Bank Limited, part of the Australia and New Zealand Banking Group (the "ANZ Group") acquired ING Insurance International B.V.'s 51% shareholding in ING (NZ) Holdings Limited, which was part of ING Group. Accordingly, ING (NZ) Holdings Limited is now ultimately wholly owned by the ANZ Group and has ceased to form part of the ING Group. ING (NZ) Holdings Limited is the holding company of the Manager.

The Manager has responsibility for the management of the Trust in accordance with the Trust Deed.

The Manager provides professional management expertise in selecting assets and managing them on behalf of unitholders. The Manager's role and duties extend to the overall strategic direction of the Trust, portfolio management, selection and review, negotiation of acquisition and disposal of assets, treasury and funding management, property management, ensuring adherence to financial and reporting requirements, and liaison with unitholders.

Day-to-day management of the properties in the portfolio is carried out by ING (NZ) Limited, which provides tenancy management, account management, building management, risk management and property investigation services in respect of the Trust's properties.

Stipulated within the Trust Deed is the basis on which the Manager is entitled to receive management fees and incentive fees. Management fees are charged at 0.75% per annum of the monthly average of the Gross Value of the assets of the Trust Fund. The Incentive Fee is 10% per annum of the average annual increase in the Gross Value of the Trust Fund with the payment being made by way of subscribing for new Units issued at the weighted average price. The remuneration of the Manager shall not exceed an amount of 1.75% per annum of the Gross Value of the Trust and includes the remuneration of the general manager and management team.

Corporate Governance philosophy
Ultimate responsibility for corporate governance of the Trust resides with the Board of Directors of the Manager. The Board sees strong corporate governance and stewardship as fundamental to the strong performance of the Trust and, accordingly, their commitment is to the highest standards of business behaviour and accountability.

Outlined below are the main corporate governance practices in place throughout the year, which, in the Board's opinion materially comply with the NZX Corporate Governance Best Practice Code (NZX Code) and the Securities Commission's Principles of Corporate Governance and Guidelines, unless otherwise stated.

Ethical standards
The Board has adopted a Code of Ethics, which sets out the ethical and behavioural standards expected of the Manager's Directors, officers and employees. The purpose of the Code of Ethics is to uphold the highest ethical standards, acting in good faith and in the best interests of unitholders at all times. The Code of Ethics outlines the Manager's policies in respect of conflicts of interest, fair dealing, compliance with applicable laws and regulations, maintaining confidentiality of information, dealing with Trust assets and use of Trust information. Procedures for dealing with breaches of these policies are contained in the Code of Ethics, which forms part of every employee's conditions of employment with the Manager.

Composition of the Board
The Manager is committed to having a Board whose members have the capacity to act independently and have the composite skills to optimise the financial performance of the Trust and returns to unitholders. The Constitution of the Manager provides for there to be not more than six Directors nor less than three Directors. All the members of the Board are Non Executive Directors. The members of the Board are listed in the table below. All bring a significant level of expertise to the Trust. Their brief resumés are included in the Board of Directors section on pages 18–19.

Attendance of Directors

Director	Meetings Attended
William (Bill) Thurston (Chair)	8 of 8
Graeme Horsley	8 of 8
Andrew Evans	8 of 8
Peter Brook	7 of 8

The Board does not impose a restriction on the tenure of any Director as it considers that such a restriction may lead to the loss of experience and expertise from the Board.

Independent Directors
The Manager recognises that Independent Directors are important in assuring unitholders that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance. The procedures in place for determining independence is whether the Director is

Corporate governance (cont.)

independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. As required under Rule 3.3.1A, the Board has determined that Bill Thurston (Chairman) and Graeme Horsley are considered to be Independent Directors under the NZSX Listing Rules as neither has a Disqualifying Relationship with the Trust. Andrew Evans and Peter Brook are considered not to be independent.

In December 2007, the Manager announced a policy which provides unitholders with the opportunity to nominate the two Independent Directors of the Manager required by the NZSX Listing Rule 3.3.1.

Unitholders are able to nominate and vote on one Independent Director of the Manager each year. The nominee receiving the most votes will be approved as a director of the Manager by the Manager's shareholders, and will hold the position for a two-year term.

Board and Director performance
The Board has an annual performance assessment, carried out under the direction of the Chairman. Assessment of individual Directors' performance is a process determined by the Chairman, taking into account attendance, contribution and experience of each individual Director concerned.

Insider Trading and Restricted Persons Trading
The Manager's Directors, officers and employees, their families and related parties must comply with the Insider Trading policy and the Restricted Persons Trading policy. Amongst other requirements this identifies two "black out periods" where trading in the Trust's units is prohibited, namely between 31 May until the day following the full year announcement date and from 1 December until the day following the half year announcement date each year. Ongoing fixed trading by participation in the Dividend Reinvestment Plan (DRP) is available throughout the year. At all other times trading requires that an application is made and approval obtained from any two Directors or a Director and the Chief Financial Officer in order to buy or sell units. The holdings of Directors of the Manager is disclosed in the section headed Directors Disclosures on page 64.

Directors and officers indemnification and insurance
The Trust has arranged directors and officers liability insurance covering directors, senior executives and employees for their personal liability arising out of duties as directors and officers and reimburse the Trust where it has indemnified its directors.

Board Committees
Board committees assist with the execution of the Board's responsibilities to unitholders. Each committee operates under a charter agreed by the Board, setting out its role, responsibilities, authority, relationship with the Board, reporting requirements, composition, structure and membership.

Remuneration Committee
The Board does not maintain a Remuneration Committee as the Manager pays the remuneration of the Directors and the senior executives, rather than the Trust.

Nomination Committee
The Board does not maintain a Nomination Committee as it is not deemed necessary as Directors are appointed in accordance with the Manager's constitution.

Audit Committee
The Board has established an Audit Committee, which is responsible for overseeing the financial and accounting responsibilities of the Trust. The minimum number of members on the Audit Committee is three. All members must be Directors, the majority must be Independent Directors and at least one member must have an accounting or financial background.

The members of the Audit Committee are Peter Brook (Chairman), Bill Thurston and Graeme Horsley.

The Audit Committee assists the Board in fulfilling its corporate governance and disclosure responsibilities with particular reference to financial matters, and internal and external audit, and is specifically responsible for:

— The appointment of the external auditor of the Trust;

— Supervising and monitoring external audit requirements;

— Reviewing annual and interim financial statements prior to submission for Board approvals;

— Reviewing and approving quarterly distributions with recommendation of the same for Board approvals;

— Reviewing the performance and independence of the external auditor; and

— Monitoring compliance with the Unit Trusts Act 1960, Financial Reporting Act 1993, Companies Act 1993 and the NZSX Listing Rules.

Attendance at Audit Committee

Director	Meetings Attended
Peter Brook (Chair)	4 of 4
Graeme Horsley	4 of 4
William (Bill) Thurston	4 of 4

External Audit Firm Guidelines
In addition to the formal charter under which the Audit Committee operates, the Audit Committee has also developed a Charter of Audit Independence, which sets out the procedures that need to be followed to ensure the independence of the Trust's external auditor.

The Audit Committee is responsible for recommending the appointment of the external auditor and maintaining procedures for the rotation of the external audit engagement partner. Under the Audit Charter, the external audit engagement partner must be rotated every five years.

The charter covers provision of non-audit services with the general principle being applied that the external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. It is however appropriate for the external auditor to provide services of due diligence on proposed transactions and accounting policy advice.

External Audit for ING Medical Properties Trust – following careful consideration and recommendation from the Audit Committee, the Board appointed the firm of Deloitte as the Trust's statutory auditor.

External Audit of the Manager – the firm of KPMG (2009: Ernst & Young) has been appointed as the auditor of the Manager – ING Medical Properties Limited.

Unitholder Relations
The Board aims to ensure that unitholders are informed of all information necessary to assess the Trust's performance.

It does so through a communication strategy which includes:

— Periodic and continuous disclosure to NZX;

— Information provided to analysts and media;

— Annual and interim reports distributed to all unitholders;

— The annual unitholders' meeting and any other meetings called to obtain approval for Manager actions as appropriate;

— Notices and explanatory memoranda for annual and special meetings;

— Trust newsletters and Investor Roadshow; and

— The Trust's website www.ingmedicalproperties.co.nz.

Unitholders may raise matters for discussion at annual and special meetings and have the opportunity to question Directors and the external auditor at such meetings.

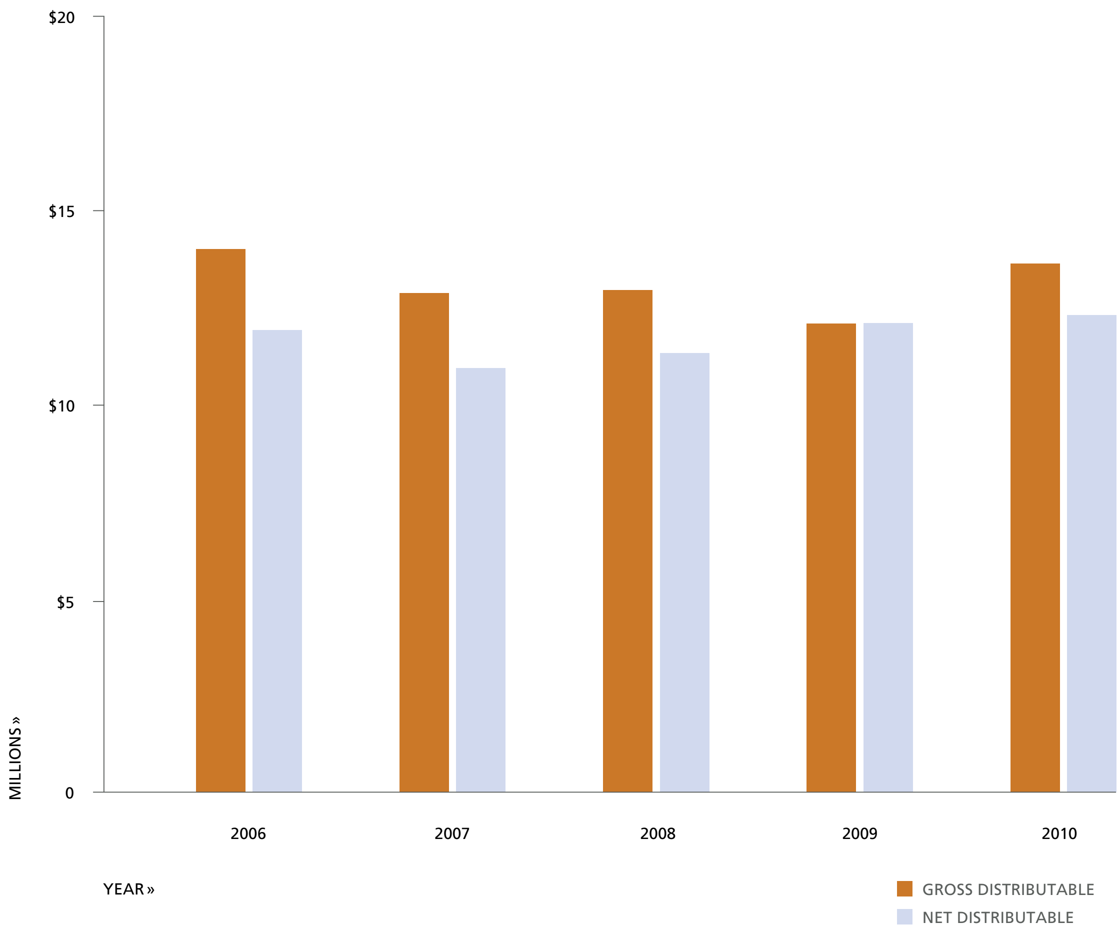
At a glance

Distributable income

	2006 (NZ GAAP) $000s	2007 (NZ IFRS) $000s	2008 (NZ IFRS) $000s	2009 (NZ IFRS) $000s	2010 (NZ IFRS) $000s
Profit/(loss) before income tax	12,681	26,896	10,453	(3,614)	**24,069**
Adjusted for:					
Revaluation (gains)/losses on investment property	–	(13,566)	1,514	7,078	**(10,476)**
Unrealised gain on construction	–	(964)	(2,134)	(20)	**–**
Unrealised foreign exchange (gain)/loss	–	(128)	4,225	(403)	**(259)**
Takeover costs	315	519	–	–	**–**
Interest rate swaps – held for trading	–	(1,115)	(2,004)	8,736	**51**
Manager's incentive fee	922	1,260	878	253	**120**
Gross distributable	13,918	12,902	12,932	12,030	**13,505**
Current taxation	2,033	1,936	147	1,657	**1,816**
Other tax adjustment	–	93	1,671	(1,657)	**(427)**
Net distributable	11,885	10,873	11,114	12,030	**12,116**

Note: 2006 was reported under NZ GAAP.

Distributable income



Financial Statements

→→

This page »
Apollo Health & Wellness Centre, Auckland.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Non-current assets					
Investment properties	5	291,990	–	286,227	–
Investments	6	–	65,204	–	65,204
Other non-current assets	8	1,011	75,793	961	74,815
Total non-current assets		293,001	140,997	287,188	140,019
Current assets					
Cash and cash equivalents		1,024	39	940	23
Trade and other receivables	9	427	4	653	44
Other current assets	10	902	6	342	1
Taxation receivable		–	–	114	261
		2,353	49	2,049	329
Non-current assets classified as held for sale	11	4,191	–	6,050	–
Total current assets		6,544	49	8,099	329
Total assets		299,545	141,046	295,287	140,348
Unitholders' funds					
Units on issue	12	152,148	152,148	150,516	150,516
Foreign currency translation reserve	13	2,856	–	3,078	–
Retained earnings/(accumulated losses)	14	162	(11,842)	4,826	(10,427)
Total unitholders' funds		155,166	140,306	158,420	140,089
Non-current liabilities					
Borrowings	15	–	–	105,376	–
Derivative financial instruments	7	5,203	–	5,263	–
Deferred tax	16	38,400	–	23,746	48
Total non-current liabilities		43,603	–	134,385	48
Current liabilities					
Borrowings	15	97,521	–	–	–
Trade and other payables	17	2,687	189	2,482	211
Derivative financial instruments	7	17	–	–	–
Taxation payable		551	551	–	–
Total current liabilities		100,776	740	2,482	211
Total liabilities		144,379	740	136,867	259
Total unitholders' funds and liabilities		299,545	141,046	295,287	140,348

For and on behalf of the Manager, ING Medical Properties Limited

W G Thurston
Chairman
19 August 2010

P C Brook
Director

The notes on pages 34 to 61 form part of and are to be read in conjunction with these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Gross property income from rentals		25,158	–	23,817	–
Gross property income from expense recoveries		3,216	–	2,846	–
Property expenses		(4,087)	–	(3,944)	–
Net property income	4	24,287	–	22,719	–
Distribution received from subsidiaries	18	–	12,100	–	–
Other income	18	367	–	405	–
Total income		24,654	12,100	23,124	–
Administration expenses	20	3,124	1,996	3,150	2,321
Other expenses	18	374	81	573	131
Total expenses before finance income/(expenses) and other gains/(losses)		3,498	2,077	3,723	2,452
Profit/(loss) before finance income/(expenses) and other gains/(losses)		21,156	10,023	19,401	(2,452)
Finance income/(expense)					
Finance income	19	122	2	343	1
Finance expense	19	(7,634)	(13)	(7,564)	–
Interest rate swaps – held for trading		(51)	–	(8,736)	–
		(7,563)	(11)	(15,957)	1
Other gains/(losses)					
Revaluation gains/(losses) on investment property	5	10,476	–	(7,078)	–
Unrealised gain on construction	5	–	–	20	–
		10,476	–	(7,058)	–
Profit/(loss) before income tax		24,069	10,012	(3,614)	(2,451)
Taxation expense/(credit)	21	16,631	(675)	(1,453)	(624)
Profit/(loss) for the year attributable to unitholders of the Trust		7,438	10,687	(2,161)	(1,827)
Other comprehensive income					
Movement in foreign currency translation reserve	13	(222)	–	(694)	–
Total other comprehensive income/(loss) after tax		(222)	–	(694)	–
Total comprehensive income/(loss) after tax attributable to unitholders of the Trust		7,216	10,687	(2,855)	(1,827)

All amounts are from continuing operations

	Note	Group 2010	Trust 2010	Group 2009	Trust 2009
Earnings/(loss) per unit					
Basic and diluted earnings per unit (cents)	23	5.22		(1.53)	

The notes on pages 34 to 61 form part of and are to be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Note	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Unitholders' funds at the beginning of the year		158,420	140,089	172,032	152,673
Profit/(loss) for the year		7,438	10,687	(2,161)	(1,827)
Change in foreign currency translation reserve	13	(222)	–	(694)	–
Total comprehensive income for the year		7,216	10,687	(2,855)	(1,827)
Contributions by unitholders					
Purchase of units through buyback	12	–	–	(5)	(5)
Issue of units from Distribution Reinvestment Plan	12	1,520	1,520	1,118	1,118
Issue of units to satisfy Manager's incentive fee	12	120	120	253	253
Issue costs of units	12	(8)	(8)	(23)	(23)
Distributions to unitholders	14	(12,102)	(12,102)	(12,100)	(12,100)
Unitholders' funds at the end of the year		155,166	140,306	158,420	140,089

The notes on pages 34 to 61 form part of and are to be read in conjunction with these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2010

	Note	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Cash flows from operating activities					
Cash was provided from:					
Property income		25,551	–	24,120	–
Recovery of property expenses		3,216	–	2,846	–
Interest received		139	2	343	1
Other income		108	–	2	–
Dividends received from subsidiary		–	12,100	–	–
Cash was applied to:					
Property expenses		(4,693)	–	(4,468)	–
Management and trustee fees		(2,470)	(1,578)	(2,442)	(1,657)
Interest paid		(7,369)	(13)	(7,989)	–
Tax paid		(1,304)	4	(1)	1
Other trust expenses		(495)	(762)	(1,013)	(998)
Net cash from/(used in) operating activities	22	12,683	9,753	11,398	(2,653)
Cash flows from investing activities					
Cash was provided from:					
Sale of properties		5,997	–	4,325	–
Cash was applied to:					
Capital additions on investment properties		(1,080)	–	(2,587)	–
Advances to subsidiaries		–	736	–	13,391
Other		(620)	–	(377)	–
Net cash from investing activities		4,297	736	1,361	13,391
Cash flows from financing activities					
Cash was provided from:					
Debt drawdown		27,227	–	50,719	–
Loan facility costs		–	–	(564)	–
Loan repayments from tenants		75	–	69	–
Cash was applied to:					
Repayment of debt		(33,727)	–	(52,089)	–
Distributions paid to unitholders		(10,465)	(10,465)	(10,982)	(10,982)
Costs associated with Distribution Reinvestment Plan		(8)	(8)	–	–
Buyback of units		–	–	226	226
Net cash used in financing activities		(16,898)	(10,473)	(12,621)	(10,756)
Net increase/(decrease) in cash and cash equivalents		82	16	138	(18)
Effect of exchange rate changes on cash and cash equivalents		2	–	1	–
Cash and cash equivalents at the beginning of the year		940	23	801	41
Cash and cash equivalents at the end of the year		1,024	39	940	23

The notes on pages 34 to 61 form part of and are to be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ING Medical Properties Trust (the "Trust") is a unit trust established under the Unit Trusts Act 1960 by a Trust Deed dated 11 February 1994 which was amended and replaced by Deed of Trust dated 1 September 1999 and which was subsequently amended by Deeds of Amendments dated 10 November 2003, 12 November 2007, 12 December 2007 and 5 August 2008. The Trust is an issuer under the Financial Reporting Act 1993. The Trust is incorporated and domiciled in New Zealand.

The Trust's principal activity is the investment in high quality health sector related properties. The Trust is managed by ING Medical Properties Limited (the "Manager") which is owned by ING Property Trust Management Limited which is owned by ING (NZ) Limited.

These financial statements include those of the Trust and its controlled subsidiaries (the "Group").

The consolidated financial statements are presented in New Zealand Dollars which is the Trust's functional currency.

These consolidated financial statements were approved by the Board of Directors of the Manager on 19 August 2010.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The accounting policies applied in these financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) issued and effective at the time of preparing these statements as applicable to the Trust as a profit-oriented entity. The Trust and Group financial statements also comply with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis except for derivative financial instruments and investment properties which are measured at fair value.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates that affect the application of policies and reported amount of assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Note 5 – valuation of investment property
Note 7 – valuation of derivative financial instruments
Note 16 – deferred tax (and taxation in note 21)

Change in accounting policies

The following new, amended accounting standards are mandatory for application at 30 June 2010. These financial statements have been prepared under the revised disclosure requirements.

NZ IAS 1 Presentation of Financial Statements – The revised standard requires that an entity must present all non-owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present one statement of comprehensive income.

NZ IAS 1 amends the titles of financial statements as follows:

- "Balance Sheet" becomes "Statement of Financial Position".
- "Income Statement" becomes part of the "Statement of Comprehensive Income".
- "Cash Flow Statement" becomes "Statement of Cash Flows".

NZ IAS 40 Investment Property – The amendment requires property acquired for the purpose of development to be classified as investment properties. Previously, investment properties under development were held at cost less any impairment in accordance with NZ IAS 16 Property, Plant and Equipment. Following the amendment, investment properties under development are classified as investment properties and stated at fair value. Where the property's fair value can't be reliably measured, it will continue to be measured at cost until either its fair value can be reliably measured or the construction is completed. At 30 June 2010, there is no impact on investment properties as there were no properties under development (2009: nil).

NZ IFRS 8 Operating Segments – NZ IFRS 8 replaces NZ IAS 14 Segment Reporting. Operating segments are required to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The impact of the adoption of this standard has been to expand the disclosure provided in note 4 and it has not led any changes in the Group's business segments.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The Group's financial statements incorporate the financial statements of the Trust and its controlled subsidiaries accounted for using the acquisition method. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiaries are included in the consolidated statement of comprehensive income from the date of acquisition which is the date the Trust became entitled to income from the subsidiaries acquired. All significant intercompany transactions are eliminated on consolidation.

The Trust's subsidiaries are:

ING Medical Australian Properties Trust*
CHPT No.1 Limited
Colma Services Limited

* ING Medical Australian Properties Trust is a 100% owned subsidiary of CHPT No.1 Limited.

Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at fair value with any change therein recognised in the statement of comprehensive income. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Initial direct costs incurred in negotiating and arranging operating leases and lease incentives granted are added to the carrying amount of the leased asset.

In accordance with the valuation policy of the Trust complete property valuations are carried out at least annually by independent registered valuers. The valuation policy stipulates that the same valuer may not value a building for more than two consecutive valuations. The fair values are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared using a discounted cash flow methodology based on the estimated rental cash flows expected to be received from the property adjusted by a discount rate that appropriately reflects the risks inherent in the expected cash flows.

Investment properties are derecognised when they have been disposed of and any gains or losses incurred on disposal are recognised in the statement of comprehensive income in the year of derecognition.

Statement of cash flows

The statement of cash flows is prepared on a GST exclusive basis, which is consistent with the statement of comprehensive income.

The following terms are used in the statement of cash flows:

Operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the equity.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

Non-derivative financial instruments are recognised and derecognised on trade date where the purchase or sale of investment is under a contract whose terms require delivery of the financial instrument within the timeframe established by the market concerned, and are initially measured at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial instruments (cont.)

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Bank Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

Borrowing costs

Borrowing costs directly attributable to property under development are capitalised as part of the cost of those assets.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Derivative financial instruments

Interest rate swaps are entered into to manage interest rate exposure. For interest rate swaps, the net differential paid or received is recognised as a component of interest expense in the statement of comprehensive income.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are remeasured at their fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised immediately in the statement of comprehensive income.

The derecognition of derivative financial instruments takes place when the Trust no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all cash flows attributable to the instrument are passed through to an independent third party.

Fair value estimation

The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Recognition of income

Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Operating expenses borne by tenants are offset by recoveries from tenants. Operating expenses not borne by tenants are offset by rental income.

Dividend revenue from investments is recognised when the Group's right to receive the payment has been established.

Finance income and expenses

Finance income comprises interest income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the relevant period (including all fees and points paid or received between the parties to the contract that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount of the financial instrument.

Finance expenses comprise interest expense on borrowings and losses on swap valuations that are recognised in profit and loss. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

Taxation

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

Taxation (cont.)

Deferred tax

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affect neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Operating lease commitments

The Trust has entered into commercial property leases on its investment properties. The Trust has determined that it retains all significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Establishment, capital raising and listing costs

Establishment, capital raising and listing costs, such as legal fees for preparing the Trust Deed, Listing Profile, Prospectus, underwriting fees and brokerage are deducted from unitholders' funds as permitted by the Trust Deed.

Foreign operations

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are recognised in other comprehensive income and accumulated in the foreign currency translation reserve and are recognised in the statement of comprehensive income on disposal of the foreign operation.

Share based payments

In accordance with the Trust Deed a manager's incentive fee is payable annually and satisfied by issue of units in the following year. The per-unit pricing for the issue of the units is the weighted average of the prices at which units were sold through the NZX during the five business days immediately preceding the last day of the financial year. Such units when issued shall rank pari passu with all other units. The payment is recognised in administration expenses in profit and loss.

Goods and service tax

The statement of comprehensive income and statement of cash flows have been prepared so that all components are stated exclusive of goods and services tax (GST) to the extent that GST is recoverable. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced. Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Standards and interpretations in issue not yet effective

At the date of authorisation of these financial statements the following Standards and Interpretations were in issue but not yet effective, which are not expected to have a material impact but may affect presentation and disclosure:

NZ IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2013);

NZ IAS 24 (Revised) Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011).

Other Standards and Interpretations in issue but not yet effective are not expected to have an impact in the financial statements of the Group and Trust in the period of initial application.

4. SEGMENT INFORMATION

The principal business activity of the Trust and its subsidiaries is to invest in high quality health sector related properties. The Group adopted NZ IFRS 8 Operating Segments with effect from 1 July 2009. NZ IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The information reported to the Group's chief operating decision maker is based on primarily one industry sector, investing in high quality health sector related properties. The Group operates in both Australia and New Zealand.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

4. SEGMENT INFORMATION (cont.)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Australia $000s	New Zealand $000s	Total $000s
Segment profit/(loss) for the year ended 30 June 2010			
Net property income	**8,234**	**16,053**	**24,287**
Administration expenses	**(1,113)**	**(1,891)**	**(3,004)**
Other income/(expenses)	**49**	**(56)**	**(7)**
Finance income/(expenses)	**(5,436)**	**(2,076)**	**(7,512)**
Unrealised interest rate swaps loss	**(51)**	**–**	**(51)**
Revaluation gains on investment properties	**6,732**	**3,744**	**10,476**
Total segment profit/(loss)	**8,415**	**15,774**	**24,189**
Unallocated:			
Administration expenses			**(120)**
Profit/(loss) before income tax			**24,069**
Taxation			**(16,631)**
Profit/(loss) for the year			**7,438**
Segment profit/(loss) for the year ended 30 June 2009			
Net property income	7,736	14,983	22,719
Administration expenses	(813)	(2,084)	(2,897)
Other income/(expenses)	(50)	(118)	(168)
Finance income/(expenses)	(5,097)	(2,124)	(7,221)
Unrealised interest rate swaps loss	(8,736)	–	(8,736)
Revaluation losses on investment properties	(224)	(6,854)	(7,078)
Unrealised gain on construction	–	20	20
Total segment profit/(loss)	(7,184)	3,823	(3,361)
Unallocated:			
Administration expenses			(253)
Profit/(loss) before income tax			(3,614)
Taxation			1,453
Profit/(loss) for the year			(2,161)

Net property income consists of revenue generated from external tenants less property operating expenditure.

There were no inter-segment sales during the year (2009: nil).

Segment profit represents the profit earned by each segment including allocation of identifiable administration costs, finance costs, revaluation gains/(losses) on investment properties, and gains/(losses) on disposal of investment properties. This is the measure reported to the Board of Directors, who is the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

4. SEGMENT INFORMATION (cont.)

	Australia $000s	New Zealand $000s	Total $000s
Segment assets for the year ended 30 June 2010			
Investment properties	107,235	184,755	291,990
Other non-current assets	99	912	1,011
Cash and cash equivalents	432	592	1,024
Trade and other receivables	71	356	427
Other current assets	836	66	902
Non-current assets classified as held for sale	–	4,191	4,191
Consolidated assets	108,673	190,872	299,545
Segment assets for the year ended 30 June 2009			
Investment properties	102,022	184,205	286,227
Other non-current assets	–	961	961
Cash and cash equivalents	365	575	940
Trade and other receivables	260	393	653
Other current assets	132	210	342
Taxation receivable	–	114	114
Non-current assets classified as held for sale	3,330	2,720	6,050
Consolidated assets	106,109	189,178	295,287
Segment liabilities for the year ended 30 June 2010			
Borrowings	61,418	36,103	97,521
Derivative financial instruments	5,220	–	5,220
Deferred tax	10,437	27,963	38,400
Trade and other payables	1,257	1,430	2,687
Taxation payable	–	551	551
Consolidated liabilities	78,332	66,047	144,379
Segment liabilities for the year ended 30 June 2009			
Borrowings	62,398	42,978	105,376
Derivative financial instruments	5,263	–	5,263
Deferred tax	11,154	12,592	23,746
Trade and other payables	897	1,370	2,267
Total segment liabilities	79,712	56,940	136,652
Unallocated liabilities			
Trade and other payables			215
Consolidated liabilities			136,867

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments.
- all liabilities are allocated to reportable segments other than foreign exchange movement on intercompany balance.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

5. INVESTMENT PROPERTIES

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Balance at the beginning of the year	283,568	–	295,470	–
Capitalised costs	827	–	2,246	–
Classified as held for sale	(4,191)	–	(6,050)	–
Foreign exchange translation difference	(1,604)	–	(1,040)	–
Revaluation gain on construction	–	–	20	–
Change in fair value	10,476	–	(7,078)	–
Closing balance	289,076	–	283,568	–
Deferred initial direct costs/lease incentives				
Opening balance	2,659	–	2,331	–
Change during the year	255	–	328	–
Closing balance	2,914	–	2,659	–
Fair value of investment property at the beginning of the year	286,227	–	297,801	–
Fair value of investment property at the end of the year	291,990	–	286,227	–

NOTES TO THE FINANCIAL STATEMENTS (cont.)

5. INVESTMENT PROPERTIES (cont.)

The Group holds the freehold to all properties except the car parks at the rear of Ascot Hospital and Ascot Central. The total value of leasehold property at 30 June 2010 was $3,000,000 (2009: $2,700,000) representing 1.03% of the total investment property portfolio (2009: 0.94%). The weighted average lease length of leasehold property at 30 June 2010 was 8.1 years (2009: 9.8 years). The Group has an option to extend the ground lease for a further 20 years following expiry of the lease and expect to conclude an option for an additional right of renewal of 20 years.

Deferred initial direct costs/lease incentives

This amount represents costs incurred with the negotiation of operating leases for the Group's investment property portfolio and which are being amortised over the term of those leases.

Valuation of investment properties

The Trust Deed requires that no individual property be valued by the same valuer (or any member of their company) for more that two consecutive valuations. All investment properties were independently valued on 30 June 2010. The valuations were prepared by independent registered valuers as detailed below:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Darroch Limited	**34,800**	–	–	–
DTZ New Zealand Limited	–	–	81,705	–
Colliers International New Zealand Limited	**111,450**	–	88,100	–
Colliers International Consultancy and Valuation Pty Limited	**107,235**	–	102,022	–
C B Richard Ellis Limited	**38,505**	–	14,400	–
	291,990	–	286,227	–

Investment properties are stated at fair value by independent valuers supported by market evidence of property sale transactions and leasing activity. The most common and accepted methods for assessing the current market value are the Direct Capitalisation, Discounted Cash Flow, Capitalisation of Contract and Market Income approaches. The major inputs and assumptions that are used in the valuation that require judgement include forecasts of the current and expected future market rentals and growth, maintenance and capital expenditure requirements, vacancy and leasing costs.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

5. INVESTMENT PROPERTIES (cont.)

Valuation of investment properties (cont.)

Principal assumptions, which are unchanged from last year, in establishing the valuation include the capitalisation rate, occupancy and the weighted average lease term (WALT) with the below table identifying the respective levels adopted by the Valuers within the Trust's segment:

		30 June 2010
Properties	Location	Valuer
Ascot Hospital & Clinics	Greenlane, Auckland	Colliers International New Zealand Limited
Ascot Hospital Carpark, Auckland (ground lease)	Greenlane, Auckland	Colliers International New Zealand Limited
Epworth Rehabilitation	Brighton, Melbourne	Colliers International Consultancy and Valuation Pty Limited
Epworth Eastern Medical Centre	Box Hill, Melbourne	Colliers International Consultancy and Valuation Pty Limited
Epworth Eastern Hospital	Box Hill, Melbourne	Colliers International Consultancy and Valuation Pty Limited
Kensington Hospital	Whangarei, Northland	CB Richard Ellis
Eastmed St Heliers	St Heliers, Auckland	Darroch
Central Hawke's Bay Health Centre	Waipukurau, Hawke's Bay	CB Richard Ellis
Hibiscus Coast Community Health Centre	Whangaparaoa, Rodney	Colliers International New Zealand Limited
Napier Health Centre	Napier, Hawke's Bay	CB Richard Ellis
Apollo Health and Wellness Centre	Albany, Auckland	Darroch
Hospital Laundry and Sterilisation Facility	Pt Chevalier, Auckland	CB Richard Ellis
Pitman House, Auckland	Pt Chevalier, Auckland	Darroch
Ascot Central, Auckland	Greenlane, Auckland	Colliers International New Zealand Limited
Ascot Central Carpark, Auckland (ground lease)	Greenlane, Auckland	Colliers International New Zealand Limited
Total Portfolio		

In deriving a market value under each approach, all assumptions are based where possible, on market based evidence and transactions for properties with similar locations, conditions and quality of construction and fitout. The market value adopted is a weighted combination of the Capitalisation of Contract or Market Income and Discounted Cash Flow approaches.
The major inputs and assumptions that are used in the valuation that require judgement include forecasts of the current and expected future market rentals and growth, maintenance and capital expenditure requirements, vacancy and leasing costs.

6. INVESTMENTS

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Investment in CHPT No.1 Limited	–	**65,204**	–	65,204
Total investments	–	**65,204**	–	65,204

During the year, the dividend received from the investment was $12,100,000 (2009: nil).

NOTES TO THE FINANCIAL STATEMENTS (cont.)

Fair Value NZD$000s 2010	Fair Value NZD$000s 2009	Market capitalisation rate % 2010	Market capitalisation rate % 2009	Occupancy % 2010	Occupancy % 2009	WALT Years 2010	WALT Years 2009
84,700	82,000	9.1	9.1	100.0	100.0	8.1	9.2
1,525	1,500	11.0	12.0	100.0	100.0	8.1	9.8
16,890	17,472	10.5	8.5	100.0	100.0	3.6	4.7
20,575	20,904	8.0	7.8	100.0	100.0	6.0	6.0
69,770	63,646	8.3	8.3	100.0	100.0	13.2	15.6
15,585	14,280	8.8	9.4	100.0	100.0	10.9	11.7
8,400	8,300	8.8	9.3	95.3	76.9	5.6	6.5
–	4,050	–	8.6	–	100.0	–	5.6
3,850	4,175	9.2	8.6	100.0	100.0	1.0	2.0
10,350	10,350	8.5	10.4	100.0	100.0	9.7	2.6
21,700	22,150	8.3	8.0	100.0	100.0	8.0	9.0
12,570	11,700	8.8	9.1	100.0	100.0	4.6	5.4
4,700	4,600	9.8	9.6	100.0	100.0	2.1	3.1
19,900	19,900	8.1	8.8	94.4	81.1	8.0	8.6
1,475	1,200	11.0	11.9	96.7	84.5	8.0	8.5
291,990	286,227	8.7	8.8	99.5	98.0	8.6	9.0

7. FINANCIAL INSTRUMENTS

The following financial assets and liabilities which potentially subject the Group and the Trust to financial risk have been recognised in the financial statements:

Categories of financial instruments

The following table details the Group's categories of financial instruments as at 30 June 2010:

	Loans and receivables $000s	Financial liabilities at amortised cost $000s	Derivatives held for trading $000s	Total $000s
Financial assets				
Cash and cash equivalents	1,024	–	–	1,024
Trade and other receivables	427	–	–	427
Loan advances	802	–	–	802
	2,253	–	–	2,253

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

Categories of financial instruments (cont.)

The following table details the Group's categories of financial instruments as at 30 June 2010:

	Loans and receivables $000s	Financial liabilities at amortised cost $000s	Derivatives held for trading $000s	Total $000s
Financial liabilities				
Borrowings	–	(97,521)	–	(97,521)
Trade and other payables	–	(2,687)	–	(2,687)
Derivative financial instruments held for trading	–	–	(5,220)	(5,220)
	–	(100,208)	(5,220)	(105,428)

The following table details the Group's categories of financial instruments as at 30 June 2009:

	Loans and receivables $000s	Financial liabilities at amortised cost $000s	Derivatives held for trading $000s	Total $000s
Financial assets				
Cash and cash equivalents	940	–	–	940
Trade and other receivables	653	–	–	653
Loan advances	879	–	–	879
	2,472	–	–	2,472
Financial liabilities				
Borrowings	–	(105,376)	–	(105,376)
Trade and other payables	–	(2,482)	–	(2,482)
Derivative financial instruments held for trading	–	–	(5,263)	(5,263)
	–	(107,858)	(5,263)	(113,121)

The following table details the Trust's categories of financial instruments as at 30 June 2010:

	Loans and receivables $000s	Financial liabilities at amortised cost $000s	Derivatives held for trading $000s	Total $000s
Financial assets				
Cash and cash equivalents	39	–	–	39
Trade and other receivables	4	–	–	4
Advances to subsidiaries	75,793	–	–	75,793
	75,836	–	–	75,836
Financial liabilities				
Trade and other payables	–	(189)	–	(189)
	–	(189)	–	(189)

The following table details the Trust's categories of financial instruments as at 30 June 2009:

	Loans and receivables $000s	Financial liabilities at amortised cost $000s	Derivatives held for trading $000s	Total $000s
Financial assets				
Cash and cash equivalents	23	–	–	23
Trade and other receivables	44	–	–	44
Advances to subsidiaries	74,815	–	–	74,815
	74,882	–	–	74,882
Financial liabilities				
Trade and other payables	–	(211)	–	(211)
	–	(211)	–	(211)

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

Fair value

The carrying value of cash and cash equivalents, trade and other receivables, advances to subsidiaries, deferred settlements, trade and other payables and borrowings and accruals are equivalent to their fair value.

The fair value of interest rate swaps at 30 June 2010 was as follows:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Current liability				
Interest rate swaps	**(17)**	–	–	–
Non-current liability				
Interest rate swaps	**(5,203)**	–	(5,263)	–
Balance	**(5,220)**	–	(5,263)	–
Nominal value of interest rate swaps – AUD	**70,000**	–	70,000	–
Nominal value of interest rate swaps – NZD	**4,000**	–	4,000	–
Average fixed interest rate	**7.59%**	–	7.72%	–
Floating rates based on NZD BBR	**5.83%**	–	3.95%	–

NZ IFRS 7 requires the Group to disclose the fair value of financial instruments in three levels. The categorisation of the levels are determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable market interest rates. The Group has determined the interest rate swaps are level 2 fair value measurements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated charge taking place at the beginning of the financial year and held constant throughout the reporting period. The sensitivity analyses include interest expense and the fair value of the swap portfolio. A 100 basis point increase (2009: 200) or 100 basis point decrease (2009: 100) represents management's assessment of the possible change in interest rates.

At 30 June 2010, if interest rates had been 100 basis points higher (2009: 200) and all other variables were held constant:

- the Group's net profit would increase by $3,352,195 (2009: $7,614,647);
- the Trust's net profit would increase by nil (2009: nil); and
- Total unitholders' funds would increase by $3,352,195 (2009: $7,614,647).

At 30 June 2010, if interest rates had been 100 basis points lower (2009: 100) and all other variables were held constant:

- the Group's net profit would decrease by $3,576,421 (2009: $4,234,788);
- the Trust's net profit would decrease by nil (2009: nil); and
- Total unitholders' funds would decrease by $3,576,421 (2009: $4,234,788).

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

The following financial assets and liabilities which potentially subject the Group and Trust to financial risk have been recognised in the financial statements:

Maturity profile of financial instruments

The following tables detail the Group's remaining contractual maturity to interest rate risk by disclosing when amounts are due inclusive of interest. The tables have been drawn up based on the undiscounted cash flows.

The maturity profile of financial instruments at 30 June 2010 was as follows:

	Weighted average effective interest rate %	Less than 1 year $000s	1–2 years $000s	2–3 years $000s	3+ years $000s	Total $000s
Financial liabilities						
Borrowings	7.47%	99,775	–	–	–	99,775
Trade and other payables		2,687	–	–	–	2,687
		102,462	–	–	–	102,462

The maturity profile of financial instruments at 30 June 2009 was as follows:

	Weighted average effective interest rate %	Less than 1 year $000s	1–2 years $000s	2–3 years $000s	3+ years $000s	Total $000s
Financial liabilities						
Borrowings	6.86%	7,256	109,103	–	–	116,359
Trade and other payables		2,482	–	–	–	2,482
		9,738	109,103	–	–	118,841

The following table details the Trust's exposure to interest rate risk as at 30 June 2010 by disclosing when amounts are due inclusive of interest:

	Less than 1 year $000s	1–2 years $000s	2–3 years $000s	3+ years $000s	Total $000s
Financial liabilities					
Trade and other payables	(189)	–	–	–	(189)
	(189)	–	–	–	(189)

The following table details the Trust's exposure to interest rate risk as at 30 June 2009 by disclosing when amounts are due inclusive of interest:

	Less than 1 year $000s	1–2 years $000s	2–3 years $000s	3+ years $000s	Total $000s
Financial liabilities					
Trade and other payables	(211)	–	–	–	(211)
	(211)	–	–	–	(211)

Credit risk

In the normal course of business the Group and Trust incurs credit risk from debtors and transactions with financial institutions. The risk associated with trade debtors is managed with a credit policy which includes performing credit evaluations on customers requiring credit. Generally collateral is not required. The risk from financial institutions is managed by placing cash and deposits with high credit quality financial institutions only. The Group and Trust places its cash deposits with the ANZ National Bank Limited and Australia and New Zealand Banking Group Limited. The maximum exposures to credit risk are outlined in the preceding tables.

Currency risk

Currency risk is the risk that amounts receivable or payable in foreign currencies will change due to movements in exchange rates. The Group's exposure to currency risk is in relation to its borrowing in Australian currency. The revaluation of the Group's borrowings in Australian Dollars at closing exchange rates is partially offset by the revaluation of the investment the Trust holds in its Australian subsidiary.

As the Group has assets and liabilities denominated in Australian Dollars, the Group is at risk of movements in the Australian and New Zealand Dollar exchange rates. The Group minimises this risk of exchange rate movements by matching, as far as possible, its assets and associated borrowings in the same currency.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

The following table details the Group's exposure to currency risk on translation of Australian Dollar assets and liabilities, stated in New Zealand Dollars:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Non-current assets				
Investment properties	107,235	–	102,022	–
Other non-current assets	114	–	133	–
	107,349	–	102,155	–
Current assets				
Cash and cash equivalents	422	–	365	–
Trade and other receivables	70	–	260	–
Other current assets	19	–	17	–
Current assets classified as held for sale	–	–	3,329	–
	511	–	3,971	–
Non-current liabilities				
Borrowings	–	–	(101,725)	–
Derivative financial instruments	(5,203)	–	(5,263)	–
Deferred tax	(10,438)	–	(11,154)	–
	(15,641)	–	(118,142)	–
Current liabilities				
Borrowings	(94,237)	–	–	–
Trade and other payables	(1,257)	–	(897)	–
	(95,494)	–	(897)	–
Net exposure to currency risk	(3,275)	–	(12,913)	–

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit after tax for the year and equity in regard to the exchange rates for Australian Dollar. It assumes a 10% change in exchange rate (2009: 10%):

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
If the Australian Dollar was 10% higher for the year:				
Profit and loss	2,984	–	3,575	–
Foreign currency translation reserve	(2,686)	–	(2,402)	–
Unitholders' funds	298	–	1,173	–
If the Australian Dollar was 10% lower for the year:				
Profit and loss	(3,647)	–	(4,370)	–
Foreign currency translation reserve	3,280	–	2,934	–
Unitholders' funds	(367)	–	(1,436)	–

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

Interest rate risk

The Group's multi-currency credit facility is subject to market risk in the event of interest rate changes. To manage this risk, the Group has implemented a hedging strategy by entering into interest rate swap contracts that have a range of maturities.

The contract details at balance date were:

	Group 2010		Group 2009	
	Nominal value	Contracted interest rate	Nominal value	Contracted interest rate
AUD Maturing (amounts stated in AUD)				
2010	**5,000,000**	**5.92%**	5,000,000	5.92%
2011	**10,000,000**	**5.99%**	10,000,000	5.99%
2012	**16,500,000**	**6.98%**	16,500,000	6.98%
2013	**15,000,000**	**7.00%**	15,000,000	7.00%
2014	**5,000,000**	**6.96%**	5,000,000	6.96%
2015	**18,500,000**	**6.50%**	18,500,000	6.50%
	70,000,000		70,000,000	
NZD Maturing (amount stated in NZD)				
2011	**4,000,000**	**7.07%**	4,000,000	7.07%
	4,000,000		4,000,000	

During the year to 30 June 2008, the Group entered into the following forward-dated swap contracts designed to extend existing swap contracts:

	Maturing	Group		Trust	
Commencing (amounts stated in AUD)					
2012	2017	**10,000,000**	**6.91%**	–	–
2013	2018	**15,000,000**	**6.89%**	–	–
		25,000,000		–	–

Credit facilities

The Group has a multi-currency credit facility with ANZ National Bank Limited and Australia and New Zealand Banking Group Limited of $135,000,000. As at 30 June 2010, after translation to NZD $97,675,480 (2009: $105,735,373) had been drawn-down. The effective interest rate was 7.47% (2009: 6.86%).

Financial Risk Management

The Group's activities expose it primarily to the financial risks of changes in credit risk, foreign exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The significant interest rate risk arises from bank loans. The Group's policy is to convert a proportion of its floating rate debt to fixed rates. The Group does not apply hedge accounting to its derivative transactions. Any gains or losses arising on revaluation of derivatives are recognised immediately in the statement of comprehensive income. The Group does not use derivative financial instruments for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

7. FINANCIAL INSTRUMENTS (cont.)

(i) Credit risk

The Group has no significant concentrations of credit risk. Credit risk with respect to trade receivables is limited due to the large number of tenants included in the Group's property rental portfolio. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(ii) Interest rate risk

The Group's cash flow interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain between 50% and 100% of its borrowings in fixed rate instruments. At 30 June 2010, 92.1% of borrowings were at fixed rates (2009: 86.4%).

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

(iv) Currency risk

Currency risk is the risk that amounts receivable or payable in foreign currencies will change due to movements in exchange rates. The Group's exposure to currency risk is in relation to its borrowing in Australian currency. The revaluation of the Group's borrowings in Australian Dollars at closing exchange rates is offset by the revaluation of the investment the Trust holds in its Australian subsidiary.

8. OTHER NON-CURRENT ASSETS

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Property acquisition and investment evaluation costs	78	–	10	–
Loan advances	720	–	813	–
Advances to subsidiaries	–	75,792	–	74,815
Other	213	1	138	–
Total other non-current assets	**1,011**	**75,793**	**961**	**74,815**

NOTES TO THE FINANCIAL STATEMENTS (cont.)

9. TRADE AND OTHER RECEIVABLES

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Trade receivables	335	–	403	5
Allowance for doubtful debts	(17)	–	(16)	–
	318	–	387	5
Amount receivable from unsettled sales of properties	109	–	266	–
GST receivable	–	4	–	39
Total trade and other receivables	427	4	653	44

The average credit period on receivables is 10 days. The Group has provided for 50% of all receivables over 90 days. This amount increases to 100% of any receivable that is determined as being not recoverable. Trade receivables less than 90 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Aged past due but not impaired trade receivables				
30–60 Days	29	–	252	5
60–90 Days	99	–	39	–
Beyond 90 days	8	–	32	–
	136	–	323	5

Movement in the allowance for doubtful debts				
Balance at the beginning of the year	16	–	–	–
Increase in allowance recognised in profit or loss	1	–	16	–
Balance at end of the year	17	–	16	–

10. OTHER CURRENT ASSETS

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Prepayments	749	–	236	–
Loan advances	82	–	66	–
Other current assets	71	6	40	1
Total other current assets	902	6	342	1

There are no loan advances aged past due but not impaired (2009: nil).

11. PROPERTY HELD FOR SALE

Central Hawke's Bay Health Centre, Waipukurau was subject to a sale and purchase agreement at balance date (2009: Thames Street, Melbourne and Biomed Laboratory, Auckland). The valuation of this property was based on the agreed purchase price less disposal costs, which approximates to its fair value at 30 June 2010 and anticipates that the disposal will be completed by 30 September 2010.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

12. UNITS ON ISSUE

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Balance at the beginning of the year	150,516	150,516	149,173	149,173
Purchase of units through buyback	–	–	(5)	(5)
Issue of units from Distribution Reinvestment Plan	1,520	1,520	1,118	1,118
Issue of units to satisfy Manager's incentive fee	120	120	253	253
Issue costs of units	(8)	(8)	(23)	(23)
	1,632	1,632	1,343	1,343
Balance at the end of the year	152,148	152,148	150,516	150,516

	000s	000s	000s	000s
Reconciliation of number of units				
Balance at the beginning of the year	141,794	141,794	140,010	140,010
Purchase of units through buyback	–	–	(5)	(5)
Issue of units from Distribution Reinvestment Plan	1,296	1,296	998	998
Issue of units to satisfy Manager's incentive fee	210	210	791	791
Balance at the end of the year	143,300	143,300	141,794	141,794

The number of units on issue at 30 June 2010 was 143,300,057 (2009: 141,793,929). The units have no par value and are fully paid. Fully paid ordinary units carry one vote per unit and carry the right to distributions.

On 4 September 2009, 210,035 units were issued against the 2009 Manager's incentive fee of $253,137 (On 3 September 2008, 791,423 units were issued against the 2008 Manager's incentive fee of $878,321).

Capital risk management

The Group's capital includes units, reserves and retained earnings with Total Unitholders' Funds sitting at $155.2m (2009: $158.4m).

The Group maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain the Group's future on-going activities and development of the business. The impact of the level of capital on unitholders' returns is also recognised along with the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to imposed capital requirements arising from the Trust Deed.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the Group's overall strategy during the year.

13. FOREIGN CURRENCY TRANSLATION RESERVE

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Balance at the beginning of the year	3,078	–	3,772	–
Translation of independent foreign operations	(222)	–	(694)	–
Balance at the end of the year	2,856	–	3,078	–

NOTES TO THE FINANCIAL STATEMENTS (cont.)

14. RETAINED EARNINGS/(ACCUMULATED LOSSES)

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Balance at the beginning of the year	4,826	(10,427)	19,087	3,500
(Loss)/profit for the year	7,438	10,687	(2,161)	(1,827)
Distributions to unitholders	(12,102)	(12,102)	(12,100)	(12,100)
Balance at the end of the year	162	(11,842)	4,826	(10,427)

	Group & Trust 2010 CPU	Group & Trust 2009 CPU
Distribution to unitholders		
Quarter ended 30 September 2009 paid 22 December 2009 (2009: 8 December 2008)		
Cash	2.12	2.12
Imputation credits	0.23	–
Quarter ended 31 December 2009 paid 16 March 2010 (2009: 10 March 2009)		
Cash	2.13	2.13
Imputation credits	0.24	–
Quarter ended 31 March 2010 paid 15 June 2010 (2009: 16 June 2009)		
Cash	2.12	2.12
Imputation credits	–	–
Quarter ended 30 June 2010 payable 14 September 2010 (2009: 15 September 2009)		
Cash	2.13	2.13
Imputation credits	0.51	–
Total		
Cash	8.50	8.50
Imputation credits	0.98	–
	9.48	8.50

After 30 June 2010 the final distribution was declared by the Directors. The distribution has not been provided for and there are no income tax consequences.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

15. BORROWINGS

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
AUD denominated loans	**94,237**	–	101,726	–
NZD denominated loans	**3,438**	–	4,009	–
Borrowing costs	**(154)**	–	(359)	–
ANZ National Bank Limited	**97,521**	–	105,376	–
Shown as:				
Current	**97,521**	–	–	–
Term	–	–	105,376	–

The Group has borrowings from the ANZ National Bank Limited and Australia and New Zealand Banking Group Limited in New Zealand and Australia. The $135,000,000 facility is a multi-currency credit facility (2009: $135,000,000) currently due to expire on 31 March 2011.

The effective interest rate on the borrowings as at 30 June 2010 was 7.47% per annum (2009: 6.86%).

Borrowings are secured by first ranking mortgages over the respective investment properties by a General Security Deed over the assets and undertakings of CHPT No.1 Limited and fixed and floating charges over the assets and undertakings of ING Medical Australian Properties Pty Limited as trustee for ING Medical Australian Properties Trust.

16. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon during the current and prior reporting years:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Balance at the beginning of the year	**23,746**	**48**	27,052	10
Deferred tax on depreciation	**335**	–	1,804	–
Unrealised gains/(losses) on revaluation of buildings	**14,334**	–	(2,653)	–
Unrealised gains/(losses) on swap revaluations	**13**	–	(2,697)	–
Deferred tax on Australian losses	**88**	–	112	–
Other timing differences	**(116)**	**(48)**	128	38
Deferred tax liability at the end of the year	**38,400**	–	23,746	48

NOTES TO THE FINANCIAL STATEMENTS (cont.)

16. DEFERRED TAX (cont.)

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon during the current and prior reporting years:

	Interest rate swaps $000s	Revaluation of buildings $000s	Other $000s	Total $000s
At 1 July 2009	(1,579)	25,586	(261)	23,746
Charge/(credit) to profit and loss for the year	15	14,874	(74)	14,815
Change in exchange rate	(3)	(205)	47	(161)
At 30 June 2010	**(1,567)**	**40,255**	**(288)**	**38,400**
At 1 July 2008	1,118	26,389	(455)	27,052
(Credit)/charge to profit and loss for the year	(2,621)	(674)	185	(3,110)
Change in exchange rate	(76)	(129)	9	(196)
At 30 June 2009	(1,579)	25,586	(261)	23,746

The following are the major deferred tax liabilities and assets recognised by the Trust, and the movements thereon during the current and prior reporting years:

At 1 July 2009	–	–	48	48
(Credit) to profit and loss for the year	–	–	(48)	(48)
At 30 June 2010	–	–	–	–
At 1 July 2008	–	–	10	10
Charge to profit and loss for the year	–	–	38	38
At 30 June 2009	–	–	48	48

Key assumptions used in calculating income tax:

Deferred tax on depreciation – The Government's budget announcements on 20 May 2010 resulted in the removal of the allowance for depreciation on buildings for taxation purposes. The tax base of existing buildings will be reduced to the tax depreciation allowance that can be claimed until the end of the 30 June 2011 financial year, with that deferred tax calculated at 30%. The tax base of fitout remains unaffected by the Government budget and therefore the tax depreciation allowance that can be claimed for the financial year ended of 30 June 2011 has the deferred tax calculated at 30%. Deferred tax on the remaining tax base, being the tax book value excluding the tax depreciation allowance that can be claimed until the end of 30 June 2011, is calculated at 28%.

Deferred tax on changes in fair value of investment properties – Deferred tax is provided on the building components of the fair value change to investment properties, being the taxable temporary difference. Investment properties are valued each year by independent valuers (as outlined in Note 5). These values include an allocation of the valuation between the land and building components. The calculation of deferred tax on the building component places reliance on the split provided by the valuers.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

17. TRADE AND OTHER PAYABLES

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Interest accrued on borrowings	513	–	247	–
Manager's fee accrued	161	–	69	–
GST payable	324	–	277	–
Other creditors and accruals	1,689	189	1,889	211
Total trade and other payables	2,687	189	2,482	211

18. OTHER INCOME/(EXPENSES)

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Income				
Unrealised foreign exchange gain	259	–	403	–
Dividends received	–	12,100	–	–
Other income	108	–	2	–
	367	12,100	405	–
Expenses				
Other operating expenses	(374)	(81)	(573)	(131)
	(374)	(81)	(573)	(131)

19. FINANCE INCOME/(EXPENSE)

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Income				
Interest income	122	2	343	1
Total finance income	122	2	343	1
Expense				
Interest expense	(7,634)	(13)	(7,564)	–
Total finance expense	(7,634)	(13)	(7,564)	–

NOTES TO THE FINANCIAL STATEMENTS (cont.)

20. ADMINISTRATION EXPENSES

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Auditors' remuneration:				
Audit of financial statements – current auditor	54	54	53	53
Manager's fees	2,300	1,411	2,280	1,487
Manager's incentive fee	120	120	253	253
Property acquisition and investment evaluation costs	238	–	36	–
Registry fees	122	122	157	157
Trustee's fees	166	166	169	169
Unitholder communication costs	124	123	202	202
	3,124	1,996	3,150	2,321

21. TAXATION

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Profit/(loss) before tax for the year	24,069	10,012	(3,614)	(2,451)
Taxation expense/(credit) (30%)	7,221	3,004	(1,084)	(735)
Deferred tax on revaluation of investment properties	14,874	–	(674)	–
Depreciation	(1,824)	–	(2,000)	–
Tax exempt income	(3,093)	–	2,210	–
Tax paid distributions from subsidiaries	–	(3,630)	–	–
Non deductible expenses	42	1	(55)	1
(Over)/under provided in prior periods	(413)	(413)	53	53
Other adjustments	(176)	363	97	57
Taxation expense/(credit)	16,631	(675)	(1,453)	(624)
The taxation expense/(credit) is made up as follows:				
Current taxation	1,816	(627)	1,657	(662)
Deferred taxation	14,815	(48)	(3,110)	38
Total taxation expense/(credit)	16,631	(675)	(1,453)	(624)
Imputation credits				
Imputation credits at beginning of year	7	(4)	258	247
Prior period adjustment	32	32	(423)	(423)
New Zealand tax payments, net of refunds	800	800	503	503
Imputation credits attached to dividends paid	(662)	(662)	(331)	(331)
Imputation credits at end of year	177	166	7	(4)

The tax rate used for the reconciliation above is the tax rate of 30% payable by New Zealand corporate entities on taxable profits under New Zealand law.

Deferred tax associated with investment in foreign subsidiaries not recognised

The Group has not recognised deferred tax on the foreign exchange translation of subsidiaries at 30 June 2010, being a liability of $857m (2009: $923m), because the Directors believe they control the reversal of the timing differences.

Tax losses

At 30 June 2010, the Group has unused tax losses of AUD764,972 (2009: AUD987,345) or deferred tax assets of $296,204 (2009: $369,654).

NOTES TO THE FINANCIAL STATEMENTS (cont.)

22. RECONCILIATION OF PROFIT/(LOSS) AFTER TAXATION WITH CASH FLOWS FROM OPERATING ACTIVITIES

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Profit/(loss) after tax for the year	**7,438**	**10,687**	(2,161)	(1,827)
Adjustments for non-cash items				
Change in fair value of investment properties	**(10,476)**	**–**	7,078	–
Fair value losses on derivative financial instruments	**51**	**–**	8,736	–
Depreciation	**1**	**–**	2	–
Revaluation gain on construction	**–**	**–**	(20)	–
Unrealised foreign exchange gain	**(259)**	**–**	(403)	–
Deferred taxation	**14,815**	**(48)**	(3,110)	38
Other	**473**	**–**	425	–
Effect of exchange rate changes on cash balances	**2**	**–**	1	–
Operating cash flow before changes in working capital	**12,045**	**10,639**	10,548	(1,789)
Change in trade and other payables	**205**	**(268)**	(716)	(198)
Change in taxation payable	**659**	**(622)**	1,655	(661)
Change in trade and other receivables	**(226)**	**4**	(89)	(5)
Net cash from/(used in) operating activities	**12,683**	**9,753**	11,398	(2,653)

During the 2010 year, distributions of $1,519,500 (2009: $1,117,987) have been reinvested under the Distribution Reinvestment Plan ("DRP"), which is excluded from investing and financing activities.

23. EARNINGS/(LOSS) PER UNIT

Basic and diluted earnings/(loss) per unit is calculated by dividing the profit attributable to unitholders of the Trust by the weighted average number of ordinary units on issue during the year.

	Group 2010 $000s	Group 2009 $000s
Profit/(loss) attributable to unitholders of the Trust	**7,438**	(2,161)
Weighted average number of units on issue (000's of units)	**142,509**	141,055
Basic and diluted earnings/(loss) per unit (cents)	**5.22**	(1.53)

On 19 August 2010 a final gross distribution of 2.125 cents per unit was announced by the Trust. Continuation of the DRP programme will increase the number of units on issue.

24. INVESTMENT IN SUBSIDIARIES

The Trust has control over the following subsidiaries:

Name of subsidiary	Principal activity	Place of incorporation and operation	Holding 2010	Holding 2009
ING Medical Australian Properties Trust*	Property investment	Australia	**100%**	100%
CHPT No.1 Limited	Property investment	New Zealand	**100%**	100%
Colma Services Limited	Holding company	New Zealand	**100%**	100%

* ING Medical Australian Properties Trust is a 100% owned subsidiary of CHPT No.1 Limited.

The subsidiaries have the same reporting date as the Trust.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

25. COMMITMENTS

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Payments recognised as an expense/development costs				
The Group was party to contracts to purchase or construct property for the following amounts:	–	–	–	–
	–	–	–	–

Non-cancellable operating lease commitments

CHPT No.1 Limited has non-cancellable operating lease rentals (these relate to a ground lease from the Auckland Racing Club on the rear car park at Ascot Hospital and Ascot Central) which are payable as follows:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Not later than one year	185	–	185	–
Later than one year and not later than five years	740	–	740	–
Later than five years	697	–	882	–
	1,622	–	1,807	–

In August 2008, the Trust agreed a rent review with the lessor, increasing the rent to $185,000 per annum with effect from 1 May 2008.

The Trust has an option to extend the lease for a further 20 years and expects to conclude negotiations for an additional 20 year right of renewal option.

The Group has a variety of operating leases relating to the investment property it owns with lease terms of between one month and 20 years. Approximately 83% (2009: 76%) of the portfolio in terms of annual rent contain annual CPI increases clauses. The lessee does not have the option to purchase the property at the expiry of the lease period.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, is set out in the table below:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Not later than one year	25,456	–	23,998	–
Later than one year and not later than five years	90,993	–	86,384	–
Later than five years	106,097	–	108,554	–
	222,546	–	218,936	–

26. CONTINGENCIES

There were no contingencies as at 30 June 2010 (2009: nil).

27. SUBSEQUENT EVENTS

On 19 August 2010 a final gross distribution of 2.125 cents per unit was announced by the Trust. The record date for the final distribution is 31 August 2010 and a payment is scheduled to unitholders on 14 September 2010. There are $726,825 imputation credits attached to the distribution (2009: nil).

On 30 July 2010 the Trust entered into a renewed bank loan facility with ANZ National Bank Limited which will commence from satisfaction of conditions precedent, or 30 September 2010, whichever is later and run to 1 September 2013. The facility has a facility limit being the aggregate of up to AUD 100 million and NZD 20 million.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

28. RELATED PARTY TRANSACTIONS

Fees paid to the Manager

The Manager is related to the Trust and its subsidiaries as the manager of the Trust.

Other related parties by virtue of common ownership and/or ownership and/or directorship to the Manager of the Trust include ING (NZ) Limited and ING Medical Australian Properties Pty Limited ("IMAPPL").

Transactions with related parties include:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Total fees incurred				
Management fees	2,300	1,411	2,280	1,487
Manager's incentive fees	120	120	253	253
Expenses charged by ING Medical Properties Limited	260	–	75	7
Expenses charged by ING (NZ) Limited	19	10	170	–
Expenses charged by ING Property Trust	23	23	–	–
	2,722	1,564	2,778	1,747
Amounts outstanding				
Management fees	161	–	69	–
Managers incentive fees	120	120	253	253
Expenses charged by ING Medical Properties Limited	185	–	31	–
Expenses charged by ING (NZ) Limited	37	2	20	–
	503	122	373	253

Expenses charged by related parties include salary, computer equipment purchase recovery, property related costs and other operating expenses.

Expenses capitalised to projects				
ING (NZ) Limited	8	–	5	–
	8	–	5	–

Properties owned by the Trust have been managed, on normal commercial terms by ING Medical Properties Limited, a subsidiary of ING Property Trust Management Limited which is a wholly owned subsidiary ING (NZ) Limited. Property management fees charged are either included in property expenses or capitalised. The amount paid to ING Medical Properties Limited was $84,040 (2009: $63,317). The amount not recovered from tenants was $1,207 (2009: $1,317).

Remuneration of the Manager

The provisions of the Trust Deed provide that the Manager's fee (in respect of its management services) shall comprise a base fee equal to 0.75% gross value of the Trust. The Manager shall also be entitled to an incentive fee equal to 10% of the three year rolling average change in the Trust's revaluation reserve. Any incentive fee will be paid to the Manager by subscribing for new units in the Trust. The fee shall not exceed an amount equal to 1.75% per annum of the gross value of the Trust.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

28. RELATED PARTY TRANSACTIONS (cont.)

Other related party transactions

The Trust has a wholly-owned subsidiary, CHPT No.1 Limited. CHPT No.1 Limited holds title to all of the Trust's real estate either directly or indirectly by way of its subsidiary, ING Medical Australian Properties Trust. Transactions between the Trust and CHPT No.1 Limited include:

	Group 2010 $000s	Trust 2010 $000s	Group 2009 $000s	Trust 2009 $000s
Advances to subsidiaries*	–	75,793	–	74,815
Fees recharged to subsidiaries	–	120	–	253
Distributions from subsidiaries	–	12,100	–	–
	–	88,013	–	75,068

* The loan is interest free and repayable on demand. The Directors of the Trust do not anticipate that the loan will be called upon within the next twelve months.

The Group has a revolving multi-currency credit facility with ANZ National Bank Limited (the ultimate shareholder of the parent company of ING (NZ) Limited) in both New Zealand and Australia of $135,000,000 (2009: $135,000,000). As at 30 June 2010, after translation to NZD $97,675,480 (2009: $105,735,373) had been drawn-down. The Group paid $7,494,075 in interest and fees to ANZ National Bank Limited during the year (2009: $8,307,409).

29. TRUST DEED

The Manager and the Trustee are parties to a trust deed relating to the Trust dated 11 February 1994 which was amended and replaced by a trust deed dated 1 September 1999 and which deed has subsequently been amended by deeds of amendment dated 10 November 2003, 12 November 2007, 12 December 2007 and 5 August 2008 (the Trust Deed).

The Trust Deed requires the Manager to give notice in the Annual Report of all the amendments that have been made to the Trust Deed since the date of the last such notification. A full copy of the Trust Deed and the recent deeds of amendments can be obtained, free of charge, from the Manager of the Trust.

The Trust Deed, together with all amendments thereto, is also filed on a public register at the Companies Office of the Ministry of Economic Development and is available there for public inspection. Copies are also available from the Companies Office website www.companies.govt.nz.

5 August 2008 amendments

On 5 August 2008, certain technical amendments were made to the Trust Deed by the Manager and the Trustee. Those amendments:

- Correct the description of the method by which the base management fee paid to the Manager is calculated and paid (see clauses 24.2(a) and 24.3);
- Allow the semi-annual report to be made available on the Trust's website in accordance with the Listing Rules rather than sending the semi-annual report to each unitholder (see clause 32.5);
- Allow for notices, communications and other information required to be given to unitholders to be sent by email (see clauses 37.1 and 37.2).

30. TRUSTEE INFORMATION

The Trustee is Trustees Executors Limited. In accordance with the Trust Deed, the Trustee will receive from the Trust in respect of each year, a fee determined on the basis previously agreed between the Trustee and the Manager. In addition to this agreed fee, the Trustee is entitled to such fee for convening and attending meetings of unitholders and in respect of any other non-routine or abnormal matters as agreed with the Manager.

The Trustee and the Manager have currently agreed an annual fee based on the gross value of the assets of the Trust as follows:

- 0.10% per annum on the first $100 million of the average gross assets of the Trust in the preceding 12 months
- 0.08% per annum on the next $25 million of the average gross assets of the Trust in the preceding 12 months
- 0.05% per annum on the next $25 million of the average gross assets of the Trust in the preceding 12 months
- 0.03% per annum on the average gross assets of the Trust in the preceding 12 months over $150 million.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

31. NZX WAIVERS

The following waivers from the NZX Listing Rules ("Listing Rules") were applicable as at balance date.

Corporate governance

On 7 November 2007, NZX granted the Trust waivers in respect of Listing Rules 3.1.1(a), 3.3.1B(a), 3.3.2 to 3.3.12, 3.4.3 and 3.5 in relation to the application of those rules to the Trust's corporate governance structure. The waivers were granted in light of the fact that those Listing Rules are not readily applicable to an issuer which is a unit trust where the directors, for the purposes of the Listing Rules, are the directors of the Manager. The waivers:

- Listing Rule 3.1.1(a): exempt the Trust from incorporating in the Trust Deed those Listing Rules for which waivers outlined in the decision were granted;
- Listing Rule 3.3.1B(a): exempt the Trust and the Manager from identifying which directors are independent no later than 10 business days following the Trust's annual meeting (the waiver being granted on the condition that when the shareholder of the Manager appoints a director, within 10 business days of such appointment, the Manager must make a determination as to whether that director is an independent director and announce to the market the names of those directors determined to be independent directors);
- Listing Rule 3.3.2 to 3.3.12: exempt the Trust from compliance with those Listing Rules which relate to the process for the appointment of an issuer's directors (the waiver being granted on the basis that since listing neither the Trust nor any other listed unit trust has been required to comply with these provisions);
- Listing Rule 3.4.3: permit directors of the Manager who are interested, solely due to being a director of the Manager, to vote on transactions which the Manager is entering into for the purposes of the day to day management of the Trust (the waiver being conditional upon the interested director abstaining from voting on any transaction entered into by the Manager, on behalf of the Trust, with another entity in respect of which that director would otherwise be interested); and
- Listing Rule 3.5: exempt the Trust from compliance with the director remuneration fixing requirements in the Listing Rules (the waiver being granted on the conditions that the remuneration of directors of the Manager is paid directly from income of the Manager, income of the Trust is not applied in satisfaction of directors' remuneration and the Manager discloses in its annual report the income it has earned in respect of its management of the Trust for the prior financial year).

Issue of incentive fee units

Since listing in 1999, the Manager has used the incentive fee paid to it to subscribe for new units in the Trust in accordance with clause 24.3(b) of the Trust Deed. On 7 November 2007, the Trust obtained a waiver from Listing Rule 7.3.1 to permit such issue of units in the Trust to the Manager each year for the purposes of the incentive fee. The waiver was granted on the condition that:

- units are only issued strictly in accordance with the terms and conditions contained in the Trust Deed as approved at the unitholder meeting on 23 August 1999; and
- the Manager may not issue to itself units that would result in the Manager holding more than 20 per cent of the issued units in the Trust.

The following waiver was granted by NZX to the Trust on 15 August 2008.

Distribution Reinvestment Plan

On 15 August 2008, the Trust obtained a waiver from Listing Rule 7.11.1 to allow units to be allotted under its Distribution Reinvestment Plan (DRP) later than five business days after applications to participate in the DRP are required to be submitted.

Applications to participate in the DRP are required to be submitted by the record date (being 5pm on the date fixed by the Manager to determine unitholder entitlements to a distribution). Under the terms of the DRP, the price per unit is determined with reference to the period of seven days immediately following the record date for the relevant distribution, or if no sale occurs during that period, the net asset value per unit on the day immediately following the record date. On the strict application of Listing Rule 7.11.1, units to be allotted under the DRP would need to be allotted within five business days of the record date, which would be before the price for the units had been determined.

The waiver was granted subject to the following conditions:

- the Trust allot units pursuant to the DRP on the same day that dividend distributions are paid to unitholders who do not elect to participate in the DRP; and
- that if the DRP does not proceed to allotment, and monies are returned to subscribers, the Trust will refund any interest accrued on such monies between the latest date on which applications for units close and the date of refund.

AUDIT REPORT

Deloitte.

TO THE UNITHOLDERS OF ING MEDICAL PROPERTIES TRUST

We have audited the financial statements on pages 30 to 61. The financial statements provide information about the past financial performance and financial position of ING Medical Properties Trust and Group as at 30 June 2010. This information is stated in accordance with the accounting policies set out on pages 34 to 37.

This report is made solely to the Trust's unitholders, as a body. Our audit has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

MANAGER'S RESPONSIBILITIES

The Manager is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of ING Medical Properties Trust and Group as at 30 June 2010 and of the results of operations and cash flows for the year ended on that date.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express to you an independent opinion on the financial statements presented by the Manager.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Manager in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust and Group circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in ING Medical Properties Trust or any of its subsidiaries.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by ING Medical Properties Trust as far as appears from our examination of those records; and
- the financial statements on pages 30 to 61:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of the financial position of ING Medical Properties Trust and Group as at 30 June 2010 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 19 August 2010 and our unqualified opinion is expressed as at that date.

Deloitte

Chartered Accountants
Auckland, New Zealand

This audit report relates to the financial statements of ING Medical Properties Trust and group for the year ended 30 June 2010 included on the ING Medical Properties Trust website. ING is responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 19 August 2010 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

UNITHOLDER STATISTICS

TWENTY LARGEST SECURITY HOLDERS AS AT 14 SEPTEMBER 2010

Unitholder	No. of units	% of total issued units
Investment Custodial Services Limited	11,722,242	8.16
Custodial Services Limited	10,078,703	7.01
FNZ Custodians Limited	9,064,082	6.31
Forsyth Barr Custodians Limited	4,158,950	2.89
Custodial Services Limited	3,410,830	2.37
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD	2,124,444	1.50
Forsyth Barr Custodians Limited	1,975,702	1.38
Premier Nominees Limited Armstrong Jones Property Securities Fund – NZCSD	1,868,961	1.30
Accident Compensation Corporation – NZCSD	1,635,099	1.14
Tea Custodians Limited – NZCSD	1,384,017	0.96
Superlife Investments Limited	1,283,801	0.89
Custodial Services Limited	1,192,542	0.83
Custodial Services Limited	1,187,722	0.83
Investment Custodial Services Limited	1,108,082	0.77
Forsyth Barr Custodians Limited	1,085,209	0.76
MFL Mutual Fund Limited – NZCSD	1,073,515	0.75
ANZ Nominees Limited – NZCSD	985,622	0.67
New Zealand Superannuation Fund Nominees Limited – NZCSD	909,828	0.63
Mint Nominees Limited – NZCSD	792,250	0.55
Citibank Nominees (New Zealand) Limited – NZCSD	733,222	0.51
Total	**57,774,823**	**40.21**
Total units on issue	**143,685,714**	

NZCSD is the New Zealand Central Securities Depositary and provides a custodial depositary service to its clients and does not have a beneficial interest in the units held in its name.

SUBSTANTIAL SECURITY HOLDERS AS AT 14 SEPTEMBER 2010

There are no person(s) who have filed substantial security holder notices in accordance with the Securities Markets Act 1988, as at 14 September 2010.

UNITHOLDER STATISTICS (cont.)

ANALYSIS OF SHAREHOLDING AS AT 14 SEPTEMBER 2010

Unitholder	No. of unitholders	Total units	% of total units issued
1 to 99	25	1,193	0.00
100 to 199	21	2,961	0.00
200 to 499	37	10,976	0.01
500 to 999	43	28,474	0.02
1,000 to 1,999	137	174,732	0.12
2,000 to 4,999	640	2,315,593	1.60
5,000 to 9,999	1,188	8,647,811	6.02
10,000 to 49,999	2,183	45,056,253	31.36
50,000 to 99,999	206	13,198,292	9.19
100,000 to 499,999	65	10,443,364	7.27
500,000 to 999,999	3	1,978,706	1.38
1,000,000 +	12	61,827,359	43.03
Total	**4,560**	**143,685,714**	**100**

HOLDINGS OF DIRECTORS OF THE MANAGER AS AT 14 SEPTEMBER 2010

	Holdings (No. of units)		
Director	Non-beneficial	Beneficial	Associated person
William (Bill) Thurston	–	10,000	–
Graeme Horsley	–	57,831	–
Peter Brook	170,237	–	–
Andrew Evans	–	–	–

Directory

→→

MANAGER

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Auckland 1141
Telephone: (09) 303 0532
Facsimile: (09) 303 0178
www.ingmedicalproperties.co.nz

DIRECTORS OF THE MANAGER

William Thurston – Chairman
Graeme Horsley
Peter Brook
Andrew Evans

TRUSTEE

Trustees Executors Limited
Level 12, 45 Queen Street
PO Box 4197
Auckland 1140
Telephone: (09) 308 7100
Facsimile: (09) 308 7101

AUDITOR

Deloitte
Deloitte Centre
80 Queen Street
Private Bag 115-003
Auckland 1010
Telephone: (09) 303 0700
Facsimile: (09) 303 0701

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LEGAL ADVISERS TO THE TRUSTEE

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188 Quay Street
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BANKERS TO THE TRUST

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ANZ House
23–29 Albert Street
PO Box 6334
Auckland 1141
Telephone: 0800 103 123

REGISTRAR

Computershare Investor Services Limited
159 Hurstmere Road
Takapuna, North Shore City 0622
Private Bag 92119
Auckland 1142
New Zealand

MANAGING YOUR UNITHOLDING ONLINE

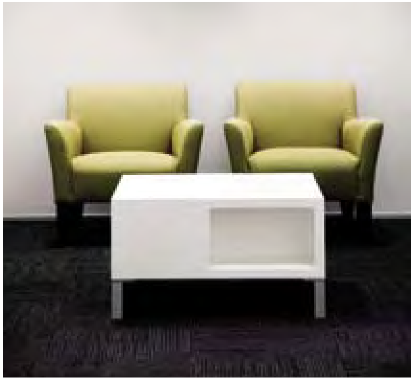
To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit **www.computershare.co.nz/investorcentre**

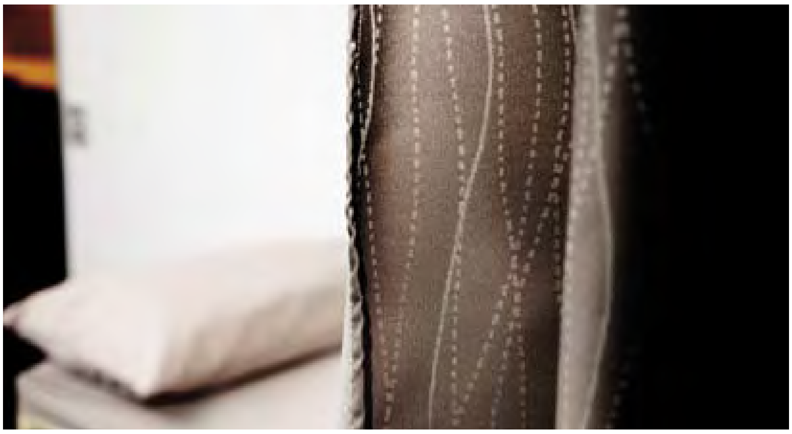
General enquiries can be directed to:
enquiry@computershare.co.nz
Private Bag 92119, Auckland 1142
Telephone: (09) 488 8777
Facsimile: (09) 488 8787

Please assist our registrar by quoting your CSN or shareholder number.

Insight Creative Limited. Auckland. Wellington. Sydney. INGMPT033



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