

# ING Medical Properties Trust

JUNE 2008

## News



*Ascot Central, Auckland.*

## Portfolio activity as at 30 April 2008

### Portfolio statistics:

Portfolio value	\$284.3m
Number of properties	16
Average property value	\$17.8m
Number of tenants	110
Occupancy rate	94.0%
Weighted average lease term	9.4yrs

### Acquisitions

Ascot Central, Greenlane, Auckland

### New leases completed

9, equating to 2,390 sqm, securing an additional \$795,559 net income per annum

### Rent reviews completed

51, resulting in a 4% increase in those rents reviewed (\$580,988)

### Projected distribution for 2008

9.8 cents per unit  
Distribution yield: 8.17%, based on IMP unit price of \$1.20 at 28 May 2008.

### Important dates

September: Annual report  
Distribution paid

# Website re-launch

ING Medical Properties Trust is set to launch a new-look website.

For some months, a project has been underway to update the website presentation and to make the structure and content easier to navigate. The website, due to relaunch in mid June, contains information for existing unitholders and potential investors.

Marketing and Communications Manager Bridget Spraggon says the overriding objective was to change the focus of the site from the 'company' to the 'customer'.

"Principally, we wanted to help investors and tenants find what they want from the site easily and quickly, and to build a quality image of ING Medical Properties Trust that's in line with its assets and all the other marketing work we do, from advertising to Trust publications," she says.

The website also needs to be easy to update as and when the Trust expands

and as unitholder demands and web technologies change.

"In the near future, we will be able to allow unitholders to receive newsletters, and other Trust publications via email," Bridget adds.

If you haven't already, visit [www.ingmedicalproperties.co.nz](http://www.ingmedicalproperties.co.nz)

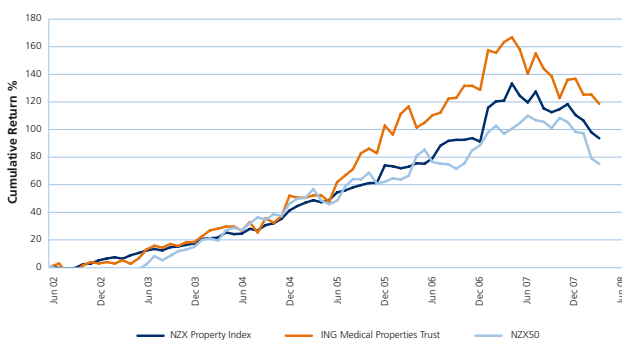
### The blip

Unitholders that attended one of the recent investor presentations may have noticed the new graphic that appeared on every page. This new icon (seen above) has been developed to help distinguish ING Medical Properties Trust from other ING branded funds, products and publications. It will be used in all future publications including this newsletter and the annual report.

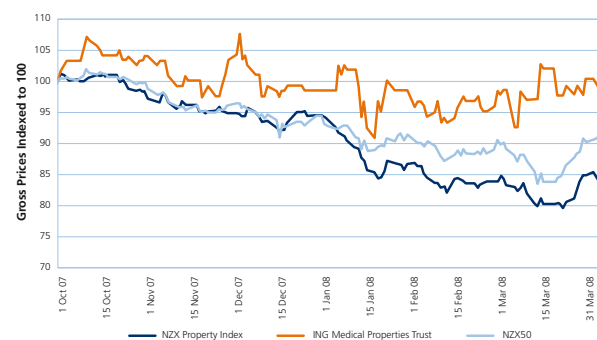
If you are a unitholder in the Trust and have an enquiry relating to your investment, your personal details, distributions, etc., please contact: Computershare Investor Services Limited, Private Bag 92119, Auckland 1020, telephone 09 488 8777, fax 09 488 8787.

## At a glance

Cumulative returns to 31 March 2008



Short-term relative unit price performance to 31 March 2008



### Portfolio by sector

Surgical & Medical	71.0%
Health Support Services	18.0%
Primary Care Facility	11.0%



### Portfolio by region

Auckland	56.0%
Australia	32.0%
Hawkes Bay	7.0%
Whangarei	5.0%

# Ascot Central update

ING Medical Properties Trust announced in April that it has settled the purchase of the Ascot Central building, adjacent to Ascot Hospital, in Greenlane, Auckland.

“We are pleased to add another high-quality asset to the Trust’s portfolio. What is particularly appealing about Ascot Central is that the building is suitable for medical and non-medical businesses. While it is adjacent to Ascot Hospital and Clinics, it is also part of the burgeoning Greenlane business district. We have had good levels of enquiry from inside and outside

the medical sector and can now confirm further lease commitments” said David Carr, General Manager, ING Medical Properties Limited.

At settlement in April, 40% of the lettable area of the building had been leased to medical and healthcare related tenants. In the interim, a further 10% has been let to Neil Luyk,

Oral and Maxillofacial Surgeon, and StarJam, a not-for-profit organisation creates life-changing opportunities for young people with disabilities, through performance.

The weighted average lease term (WALT) of the leases agreed to date is over 12 years, well above the current portfolio WALT of 9.4 years.

Below is a diagram of Ascot Central, showing the tenants secured to date, and their lease term.

Fourth floor	For Lease 850sqm		Balcony
Third floor	Fertility Associates (15 years)		
Second floor	For Lease 500sqm	Short term lease, Fertility lease from 2013 (10 years)	
First floor	StarJam (6 years)	Oral Surgeon (10 years)	For Lease 600 sqm
Ground floor	Breast Associates (6 years)	Ascot Radiology (10 years)	

## Health Funds Association of New Zealand – Most elective surgery done privately, future demand likely to be enormous.

The private health sector has delivered elective surgery to 148,200 people in the year ended June 2007, nearly 60 percent of New Zealand’s total elective surgical discharges.

Official government information shows that public hospitals delivered 112,700 elective surgical discharges in the year ended June 2007, meaning a total of 260,900 people received elective surgery in the 12 month period.

“Confirmation that the private health sector delivers more than half New Zealand’s elective surgery is unsurprising given the increasing proportion of private health insurance being taken out specifically for elective surgical cover,” said Roger Styles, Executive Director of Health Funds Association of New Zealand (HFANZ).

HFANZ believes the growth in the elective share done by the private sector, and the increased share in health insurance taken out for elective surgery, is good news for New Zealand’s health services, as it will take pressure off what is likely to become an extremely overcrowded public system.

“This is because our analysis indicates that over the next 20 years the number of people needing elective surgery is likely to double to around 500,000 a year. This is largely due to the ageing of the populations,” Mr Styles said.

“Given this will take elective demand to nearly 10,000 discharges a week by 2028, and that the private sector now does nearly 60 percent of elective surgery, it is increasingly important that the public and private health sectors work even more closely together to ensure this looming crisis is met,” he said.

*\*Article reproduced courtesy of Health Funds Association of New Zealand.*

# Investor roadshow a success

In early May, David Carr, General Manager and Jeremy Nicoll, Chief Financial Officer of ING Medical Properties Limited, the Manager of ING Medical Properties Trust hit the road to present an up-to-date summary of the Trust and its activities to over 300 investors and brokers in six centres across the country.

The roadshow was very well received, with feedback that investors were genuinely pleased that the Manager 'hit the road' and 'fronted up'. David and Jeremy gave a 40 minute presentation on the property and asset management activities, and the financial position of the Trust, and answered any questions unitholders had.

For those investors who were unable to attend, a copy of the presentation is available through the website [www.ingmedicalproperties.co.nz](http://www.ingmedicalproperties.co.nz) (refer Investor Relations/Presentations), or by emailing [enquiry@ingmedicalproperties.co.nz](mailto:enquiry@ingmedicalproperties.co.nz) or calling the Manager on 0800 653 653.

There was a very high level of dialogue in the open forum after the presentation, and both David and Jeremy had the opportunity for a more informal discussion with individual investors over light refreshments.

The following are some of the most common themes or questions asked and a response to each:

**Question:** Did the takeover or merger with ING Property Trust occur last year and is there any proposal currently on the table for a merger or takeover?

**Answer:** No, the merger with ING Property Trust did not occur. Calan Healthcare Properties Trust was renamed ING Medical Properties Trust and there is currently no proposal or intention to merge the two Trusts.

**Question:** Is the leasing for Ascot Central a little slower than expected, and what is the impact on investors of the remaining areas to be occupied?

**Answer:** Following settlement in April 2008, the building is now 50% leased. The quality of the tenants and the long-term leases they have signed (an average of over 12 years) is a very pleasing outcome to date. The Manager is focussed on leasing the remainder of the building, a key target for the balance of 2008. As part of the

settlement of the acquisition the Trust will receive a development margin of approximately \$3m.

**Question:** Are there many opportunities that you are currently looking at; and if so, how will you ensure that they add value to unitholders, especially with the current high cost of debt?

**Answer:** We are constantly looking at opportunities in both New Zealand and Australia for quality medical and healthcare property assets. The Manager is mindful of the changes in the cost of debt in the current economic environment and remains focussed on achieving the best possible returns to investors.

**Question:** I am still a little confused about the PIE regime and whether I need to do anything else on my tax return?

**Answer:** All investors, regardless of their tax rate will have seen the benefits of the PIE regime in their distribution. Your tax return obligation will depend on your individual tax circumstances. We recommend you contact an independent tax adviser regarding your personal situation.

With the roadshow being such a success it will certainly be an annual event in the Trust's calendar.

## Reactivation of Distribution Reinvestment Plan

The previous Distribution Reinvestment Plan (DRP) was suspended in 2004. The DRP allows investors to receive their distributions in the form of additional units in the Trust, rather than in cash. At the April Board meeting it was determined that it was an appropriate time to re-launch the DRP.

Documentation will be prepared over the next month, with unitholders being given the option to participate in the DRP from the distribution paid in September 2008. The DRP re-investment price may be at a slight discount to market value, although any discount (if applicable) will be advised at each quarterly distribution announcement to the NZX.

Given the length of time between the 2004 suspension and reinstatement this year, unitholders who were previously in the DRP will need to re-elect to participate.

Further information on the DRP, along with the opportunity to join, will be mailed out to unitholders in mid 2008.