

ING Medical Properties Trust

DECEMBER 2008

News



Highlighting the
Annual Meeting

Ascot Central update

In April 2008, the Trust settled the purchase of Ascot Central, and in the last seven months the Manager has negotiated lease commitments for an additional 1,850 square metres, resulting in the occupancy level improving to 80%.

Ascot Central is differentiated by its proximity to Ascot Hospital, extensive carparking, high profile corner site and excellent access to the Auckland motorway and central Auckland. Built with environmentally sustainable design initiatives, we are targeting a New Zealand Green Building Council 4 star green design rating, and expect the formal assessment to be completed in early 2009.

Medical and healthcare tenants now occupy approximately 80% of the space leased. The remaining tenancy covenants are all very strong and include New Zealand Transport Agency (NZTA) and a multinational NYSE company.

CB Richard Ellis Research noted in their November Auckland Property Market report that "Ascot Central was the only Grade A, non CBD building completed in 2008".

"This creates a distinct point of difference and confirms that the property is of exceptional quality and is recognised as such by the market. The level of lease commitments to date and current enquiry will see occupancy levels improve over coming months," said David Carr, General Manager, ING Medical Properties Limited.

The weighted average lease term for Ascot Central is in line with the Trust's weighted average lease term of 9.2 years, well above the listed property sector average of 5.6 years.

Oral Surgery Associates open in Ascot Central

In September 2008, Neil Luyk and Ian Cathro relocated their oral surgery practice to Level 1 of Ascot Central. Their state-of-the-art premises include Auckland's first Galileos dental and facial x-ray machine. The machine gives a three dimensional picture of the face and jaws and makes it possible to plan and perform complex operations more effectively.

Fourth floor	For lease 150 sqm	NZTA (4 years)		
Third floor	Fertility Associates (15 years)			
Second floor	Multinational company (6 years)	Rehabilitation (3 years)	ALAC (3 years)	For short term lease 425 sqm, (Fertility lease for 10 years from 2013)
First floor	StarJam (6 years)	Oral Surgeon (10 years)	Women's Health (10 years)	For lease 425 sqm
Ground floor	Breast Associates (6 years)	Ascot Radiology (10 years)		

ING (NZ) Limited and ING Medical Properties Trust

Throughout 2008, we have been hearing about the global financial turmoil and how it is affecting both businesses and investors. In particular there has been attention devoted to financial services companies and managed funds. Recently, ING (NZ) Limited has been covered in the media, with reports around the closing of various investment funds.

In early December, ING (NZ) Limited announced that it will be closing four investment funds. These actions have no relationship with your ING Medical Properties Trust unitholding.

Your unitholding can continue to be traded freely on the NZSX, via your preferred broker.

ING Medical Properties Trust is a unit trust. This means that the Trust is governed by a Trust Deed which is managed or overseen by a Trustee. In the case of ING Medical Properties Trust, this is Trustees Executors. The Trustee is an independent entity who safeguards the Trust's assets.

The Trust contracts with ING Medical Properties Limited, which is a subsidiary of ING (NZ) Limited, to manage the day to day operations of the Trust and its portfolio.

Annual Meeting confirms ING Medical Properties Trust is well positioned

The Annual Meeting of ING Medical Properties Trust was held on Tuesday 25 November 2008 at the Ellerslie Convention Centre, Greenlane, Auckland.

Bill Thurston gave the Chairman's address and David Carr gave the General Manager's presentation, both of which can be found on the Trust's new website www.ingmedicalproperties.co.nz under News and Publications.

The following is a brief summary of the General Manager's presentation.*

- Quality, diversified health and medical sector portfolio.
- Occupancy at 96.4%.
- Sector leading weighted average lease term of 9.2 years.
- Ascot Central 80% leased, with 80% of that space leased to medical and healthcare tenants.
- Conservatively geared at 34.4%.
- Bank facility in place until March 2011.
- All options are being considered for the Thames Street development property in Melbourne.
- Health sector underlying trends remain positive, with the continued aging population and burgeoning public and private health systems supportive of the Trust's activities.
- Whilst the Trust has not been totally immune to the impact of the global crisis, it has come through the year with a strong relative performance. Specifically, for the 12 months to 30 September 2008 Forsyth Barr Research showed that the NZX50 had a gross return of minus 26.2%; the New Zealand listed property sector had a gross return of minus 15.3%. Comparatively, ING Medical Properties Trust was the leading listed

property vehicle at minus 1.4%, with the next best performing listed property trust recording a minus 9.9% gross return.

- All things being equal, the core portfolio is expected to perform well over the coming year and the Board envisages a cash distribution at least in line with the cash distribution for the 2008 financial year of 8.5 cents per unit.

There were only a few questions from unitholders after the presentations. Below are some of the questions asked, along with the Chairman's response:

Question 1: Have you thought about the level of paper consumption being generated by the number of pages in the Annual Reports printed and about more sustainable ways to provide the information?

Answer: The Chairman confirmed that this had been considered. Next year, unitholders will have the choice of receiving printed or electronic copies of reports. All reports, announcements and presentations are available for viewing from the Trust's website www.ingmedicalproperties.co.nz.

Question 2: The way the management company runs its affairs is a closed book to shareholders. Does the Chairman have a casting vote when the other Directors agree or when they disagree?

Answer: The Chairman stated that he has a casting vote only when the vote is tied between Directors.

Question 3: Who are non-Independent Directors?

Answer: The Chairman stated that he and Mr Horsley are the Independent Directors. Mr Evans was a non-Independent Director due to also having previously been an employee of ING Property Trust Management Limited. Mr Brook is deemed a non-Independent Director as he is a Director of ING Property Trust.

Question 4: The Annual Report is dated 30 June 2008 and it is now November which means that information provided is out of date. Would the Directors consider having the Annual Meeting within three months of balance date?

Answer: The Chairman noted that there were factors limiting when the Annual Meeting can be held, including the logistics of the financial accounts being completed and audited. There are also requirements as to notice periods for the Notice of Meeting and Agenda. Management will endeavour to do this as soon as possible, however notwithstanding that, unitholders at the Annual Meeting have been updated regarding the Trust's activities through to the end of the first quarter of 2009 through the General Manager's presentation (this can be viewed on the Trust's new website www.ingmedicalproperties.co.nz under the News and Publications heading).

Question 5: There was an article in the New Zealand Herald that an ING fund is in trouble. Will there be any communication to unitholders regarding market confidence in ING?

Answer: Yes, there will be communication going out to unitholders prior to Christmas giving further clarity (see the article on page 4 of this newsletter).

* Figures quoted are as at 30 November 2008.

Independent Director appointment

The only item of general business was the Ordinary Resolution allowing unitholders to vote on the nomination of a person to the office of Independent Director of the Manager.

This year, two nominations were received by the Manager. The nominees voted on by unitholders were:

1. Mr Graeme Horsley (who was standing for re-appointment), and
2. Mr Steven Blakeley.

Mr Graeme Horsley was re-appointed as an Independent Director receiving 96% of unitholders votes.

Portfolio snapshot as at 30 November 2008

Portfolio statistics:

Portfolio value	\$298.9m
Number of properties	16
Average property value	\$18.7m
Number of tenants	114
Occupancy rate	97.0%
Weighted average lease term	9.2yrs
Gearing	33.3%

New leases completed year to date

Thirteen, equating to 2,500 sqm, securing an additional \$775,641 net income per annum

Rent reviews year to date

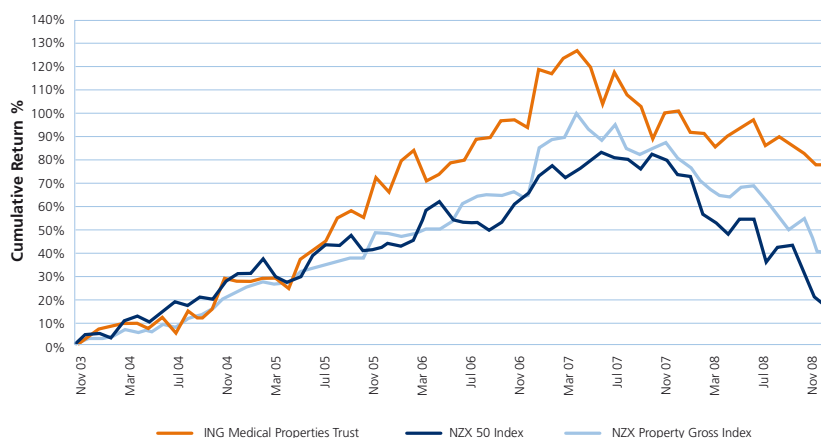
Nine, resulting in a 12.09% (\$80,538) increase in those rents reviewed

Important dates

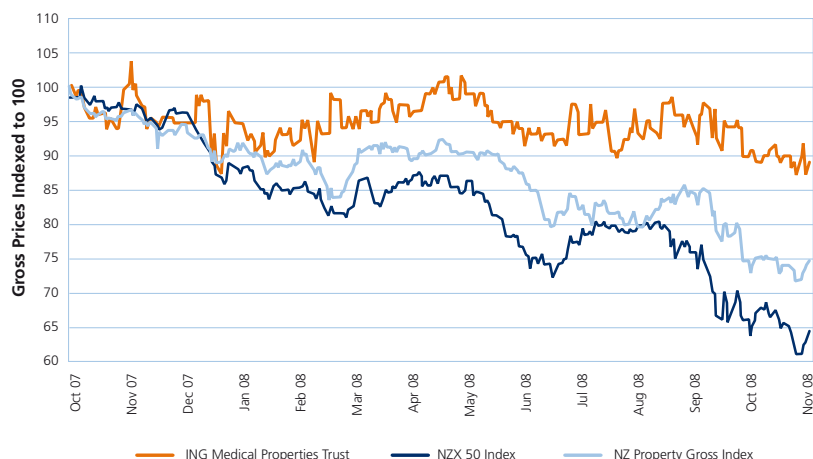
February:	Half year results released
March:	Distribution Interim report issued
May:	21st – 27th: Unitholder roadshow

At a glance

5 year cumulative returns to 30 November 2008

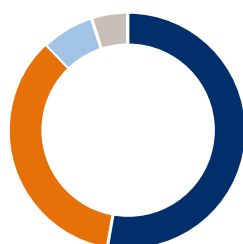


12 month relative unit price performance to 30 November 2008



Portfolio by sector

■ Surgical & Medical	55.0%
■ Health Support Services	16.0%
■ Primary & Community Care	19.0%



Portfolio by location

■ Auckland	53.0%
■ Australia	35.0%
■ Hawkes Bay	7.0%
■ Whangarei	5.0%