

Date

16 February 2011

ING Real Estate Investment Management Australia

Australian business update

Further to the announcement by ING Group on 15 February 2011 regarding the divestment of their European, Asian and American real estate investment management businesses ING Real Estate Investment Management Australia (ING REIMA) provides an update on the review of the strategic options for REIMA.

As noted in ING Group's press release, ING has finalised this review and implementation has commenced. As a result ING will undertake a phased withdrawal from its Australian real estate investment management activities in a timely and controlled manner.

ING REIM Head of Strategy Mr Christophe Tanghe said; "This has been a thorough process and whilst ING has decided to withdraw over time from its Australian real estate investment management activities, we will continue to provide full support to REIMA as it completes the transition of the business."

ING, together with the independent board of ING Management Limited (IML) as the responsible entity for the five ASX listed Funds, have evaluated various options for each Fund with a focus on unlocking the best value for unitholders.

Mr Denis Hickey, CEO ING REIMA commented; "To maximise the value and outcome for unit holders there have been a number of complex issues that have had to be considered as part of this process."

Mr Hickey added that; "With the majority of the issues now resolved, we have been able to focus on implementing the strategy for securing the best future ownership strategy for each specific Fund."

Progress announced to date includes:

- Industrial (ASX: IIF) - agreement has been reached with a Goodman Consortium for a cash offer for the units in the Fund; and
- Entertainment (ASX: IEF) - strategy is to internalise management and restructure the Fund into a listed hotel property and operating business.

In relation to REIMA's three additional Funds (ASX: IOF, IHF and ILF), significant progress has been made evaluating the alternatives to determine the future ownership structure for these Funds and work is currently being completed including active discussions with a number of external parties.



REAL ESTATE INVESTMENT MANAGEMENT

Mr Kevin McCann, Chairman IML, stated that; “The Board of IML is confident that there has and continues to be a well run process in relation to ING’s exit of the REIMA business, which is underpinned by robust governance protocols.

He further commented that; “The IML Board and ING management have worked closely to identify the opportunities for unit holders and will continue to work together to finalise the options for each Fund.”

ING and IML will keep the market updated in relation to any material developments.

Attachment – ING Group announcement 15 February 2011.

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About the ING Real Estate Investment Management

ING Real Estate Investment Management Australia manages five listed real estate investment trusts on behalf of 60,000 investors.

Globally, ING Real Estate Investment Management focuses on the investment management of quality real estate in all major global markets with a total portfolio of more than A\$95 billion. ING Real Estate Investment Management is one of the leading investment management companies and serves a broad client base from five continents, Europe, North America and South America, Asia and Australia.

ING Real Estate Investment Management is part of ING Group, a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries.

PRESS RELEASE

Amsterdam, 15 February 2011

ING to sell most of REIM for USD 1.0 billion

- ING to sell three ING REIM businesses to CB Richard Ellis for USD 940 million
- ING to sell one ING REIM business to management and Lightyear for USD 100 mln
- ING to also sell up to approx. USD 100 mln in equity stakes in some ING REIM funds
- Sales expected to deliver an after-tax gain on disposal of approximately EUR 500 mln

ING announced today that it has reached agreement to sell the majority of its ING Real Estate Investment Management business (ING REIM) in two separate transactions for a combined price of approximately USD 1.0 billion (EUR 770 million). In addition, as part of the overall transactions, ING has also agreed to sell up to approximately USD 100 million of its equity interest in existing ING REIM funds.

“With these transactions we continue to deliver on our strategic objectives of reducing exposure to real estate, simplifying our company and further strengthening our capital base,” said Jan Hommen, CEO of ING Group.

ING has entered into an agreement with CB Richard Ellis Group, Inc., to sell ING REIM Europe, ING REIM Asia and Clarion Real Estate Securities (CRES), ING REIM's US-based manager of listed real estate securities, as well as part of ING's equity interests in funds managed by these businesses. The proceeds for these REIM businesses and the equity interests amount to approximately USD 1.0 billion. ING REIM Europe, ING REIM Asia and CRES combined have EUR 44.7 billion in assets under management as of 31 December 2010. CB Richard Ellis Group is a leading global commercial real estate services firm.

In a separate transaction, ING has agreed to sell the private market real estate investment manager of its US operations, Clarion Partners, to Clarion Partners management in partnership with Lightyear Capital LLC for USD 100 million. Clarion Partners has EUR 16.5 billion in assets under management as of 31 December 2010. Lightyear is a US-based private equity firm.

The Real Estate Investment Management business in Australia (ING REIMA), with EUR 4.8 billion in assets under management as of 31 December 2010, is not included in these transactions. Within the context of the previously announced evaluation, ING finalised the review of the strategic options and implementation has commenced. As a result ING will undertake a phased withdrawal from its Australian real estate investment management activities in a timely and controlled manner.

In the transaction with CB Richard Ellis, ING Insurance has agreed to continue its asset management mandate with CB Richard Ellis as the new manager of the funds. ING Bank will continue to have an equity interest in some REIM funds in Europe, Asia, the US and Australia. The equity stakes held by the Bank will be monetised over time as it continues to steadily reduce its exposure to real estate.

Combined, the transactions are expected to result in an after-tax gain on disposal of approximately EUR 500 million at current exchange rates. The final terms are subject to potential adjustments at closing, customary for this kind of transaction.

William Connelly, CEO of ING Commercial Banking, said: “We are pleased to have found in CB Richard Ellis, and Clarion Partners management together with Lightyear, dedicated and solid partners to build on the leading positions of these REIM businesses and ensure continuity of investment teams in managing client assets in their best interests.”

CB Richard Ellis Group, Inc., a Fortune 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2010 revenue). The company has approximately 31,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide.

Lightyear Capital LLC is a recognized private equity firm in the US that specializes in investing in financial services companies. With a successful track record of investing in well-managed, high-performing companies poised for strong future growth, Lightyear currently manages approximately

USD 3 billion in committed capital. Lightyear's principals average more than 25 years of experience across the financial services industry.

ING Real Estate Development and ING Real Estate Finance are not impacted by the transactions disclosed in today's announcement and will continue to be part of ING Bank.

Both transactions are expected to close in the second half of 2011 and are subject to approvals by certain stakeholders including various regulators.

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About ING

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services. As of 30 September 2010, ING served more than 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 107,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.

Important Legal Information

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING's core markets, (2) changes in performance of financial markets, including developing markets, (3) the implementation of ING's restructuring plan to separate banking and insurance operations, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (15) ING's ability to achieve projected operational synergies, (16) reporting the US Legacy VA business as a separate business line, and (17) implementation of fair value accounting for Guaranteed Minimum Withdrawal Benefits for the US insurance businesses. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.