

**APPENDIX 4D**  
**Half-year Report**  
**Half-year ended 31 December 2008**

<p><b>Name of Entity:</b> ING Office Fund</p> <p><b>ARSN:</b> The Fund comprises Armstrong Jones Office Fund ARSN 090 242 229 and Prime Credit Trust ARSN 089 849 196</p>
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**Results for announcement to the market**

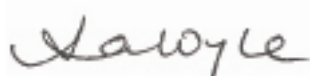
	<b>\$m</b>	
Revenues from ordinary activities	up 5.9% to 113.9	
Loss from ordinary activities after tax attributable to members	down 417% to 445.7 loss	
Net loss for the period attributable to members	down 417% to 445.7 loss	
Net operating income	up 11.6% to 72.2	
	<b>31 December</b>	<b>30 June</b>
	<b>2008</b>	<b>2008</b>
Net assets value per unit (excluding outside equity interest)	\$1.30	\$1.81

<b>Distributions</b>	<b>Amount per unit (cents)</b>	<b>\$m</b>
Interim - 30 September 2008	2.7	34.1
Interim - 31 December 2008	2.7	34.1
Total	5.4	68.2
Previous Corresponding Period	5.35	66.4
Record date for determining entitlements to the distribution	31 December 2008	
Details of any distribution reinvestment plan in operation	Dividend Reinvestment Plan issue price is \$0.6309	
Last date for receipt of an election notice for participation in any distribution reinvestment plan	31 December 2008	

Note : Franked amount per unit is not applicable

**For further details, please refer to the following attached documents:**

- Directors' report
- Financial report
- Results presentation



Anna Wyke  
Company Secretary

19 February 2009



# ING OFFICE FUND

**INTERIM REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**ING Office Fund**  
**Interim report**  
**For the half-year ended 31 December 2008**

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The ING Office Fund (the "Fund") has been formed by the stapling of the units in two Australian registered schemes, Armstrong Jones Office Fund (ARSN 090 242 229) and Prime Credit Property Trust (ARSN 089 849 196). ING Management Limited (ABN 15 006 065 032; AFS licence number 237534), the Responsible Entity of both schemes, is incorporated and domiciled in Australia and has its registered office at level 6, 345 George Street, Sydney, NSW 2000.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by the Fund during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## ING Office Fund Directors' report For the half-year ended 31 December 2008

The ING Office Fund (the "Fund") was formed by the stapling of the units in two trusts, Armstrong Jones Office Fund and Prime Credit Property Trust (collectively the "Trusts"). The Responsible Entity for both Trusts is ING Management Limited, which now presents its report together with the Trusts' financial report for the half-year ended 31 December 2008 and the independent auditor's review report thereon.

In accordance with Urgent Issues Group Interpretation 1013 *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements*, this stapling arrangement is regarded as a business combination and Armstrong Jones Office Fund (the "Parent" or "Parent Entity") has been identified as the parent for preparing consolidated financial reports. Consequently, the consolidated financial statements of the Armstrong Jones Office Fund present the combined financial results of both Trusts.

The directors' report is a combined directors' report that covers both Trusts. The financial information given for the ING Office Fund is taken from the consolidated financial statements and notes of the Armstrong Jones Office Fund.

### Directors

The directors of the Responsible Entity at any time during or since the end of the half-year were:

Richard Colless AM	Chairman
Philip Clark AM	
Michael Easson AM	
Philip Redmond	
Paul Scully	
David Blight	Resigned 1 December 2008
Hugh Thomson	Alternate director for David Blight – ceased 1 December 2008
Adrian Astridge	Alternate director for David Blight – ceased 1 December 2008

These persons were directors of the Responsible Entity during the whole of the half-year and up to the date of this report, except as noted.

### Review and results of operations

The Responsible Entity uses the Fund's net operating income as an additional performance indicator. Net operating income does not take into account certain items recognised in the income statement including unrealised gains or losses on the revaluation of the Fund's investment properties and derivatives.

A summary of the Fund's result for the half-year is:

	ING Office Fund		Prime Credit Property Trust	
	2008	2007	2008	2007
Net profit/(loss) attributable to unitholders of the Fund (\$ million)	(445.7)	140.4	(269.7)	74.7
Net operating income (\$ million)	72.2	64.7	38.9	31.1
Distributions per unit (cents)	5.40	5.35	1.67	2.51
Net operating income per unit (cents)	5.6	5.3	3.0	2.5
Earnings per unit - basic and diluted	(34.7)	11.4	(21.0)	6.1

## ING Office Fund Directors' report For the half-year ended 31 December 2008

Net operating income for the half-year has been calculated as follows:

	ING Office Fund		Prime Credit Property Trust	
	2008 \$m	2007 \$m	2008 \$m	2007 \$m
Net profit/(loss) attributable to unitholders	(445.7)	140.4	(269.7)	74.7
Adjusted for:				
Straight line lease revenue recognition	(2.4)	(2.3)	(1.5)	(1.4)
Net foreign exchange (gain)/loss	75.8	9.5	20.1	(1.1)
Net (gain)/loss on change in fair value of:				
Investment properties	144.3	(109.9)	103.4	(65.5)
Derivatives	166.3	48.7	92.8	29.8
Investment properties included in share of net profit of equity accounted investments	179.7	(32.0)	125.1	(7.4)
Derivatives included in share of net profit of equity accounted investments	22.0	-	22.7	-
Minorities' share of loss on change in fair value of investment properties	(9.5)	-	(9.5)	-
Amortisation of tenant incentives and leasing commissions <sup>1</sup>	-	2.9	-	2.3
Deferred income tax expense	(58.3)	7.4	(44.5)	(0.3)
Net operating income	72.2	64.7	38.9	31.1

Net operating income increased by 12% to \$72.2 million from \$64.7 million for the December 2007 half-year. The increase is largely attributable to the increase in net property income from the property portfolio. Net operating income per unit for the 2008 half-year was up 5.7% to 5.6 cents, compared to 5.3 cents per unit previously, largely due to the increase in net property income from the stabilised portfolio.

The Fund has delivered distribution growth of 0.9% with distributions per unit of 5.40 cents for the half-year, compared to 5.35 cents previously.

Earnings per unit as calculated under applicable accounting standards for the half-year ended 31 December 2008 were down 404% to a loss of 34.7 cents, compared to a profit of 11.4 cents per unit for the previous half-year.

Total assets increased by \$73.9 million or 2.1% to \$3,619.3 million over the half-year mainly because the reduced value of the Australian dollar increased the Australian dollar amount of the Fund's foreign assets.

Devaluations of investment properties during the 2008 half-year reduced total assets by \$324.0 million, resulting in the net asset value per unit decreasing by 28% to \$1.30.

A total of \$368.2 million of new equity (before costs) was raised in December 2008. The new equity was raised in the following manner:

Institutional placement	\$150.0 million
Entitlement offer	\$218.2 million

<sup>1</sup> From 1 July 2008, the Fund ceased to add back amortisation of tenant incentives and leasing commissions in the net operating income calculation.

**ING Office Fund  
Directors' report  
For the half-year ended 31 December 2008**

As a result, issued units increased by 460.3 million to 1,723.6 million.

On 15 January 2009, the Fund secured a further \$46.2 million of new equity through the retail component of the entitlement offer. This increased the number of units on issue by 57.7 million to 1,781.3 million.

**Outlook**

The economic outlook for Australia and the world is very uncertain, and performance of the Fund's property portfolio is likely to be impacted in some form. All types of property have been adversely impacted by tightening credit conditions; which, have reduced the availability of debt and increased its cost where it is available. This in turn has reduced the ability to transact real estate and has been a major factor in decreased property valuations.

The Fund is unlikely to be immune from these market conditions. While the Fund's existing debt facilities do not start to expire until June 2010, the possibility of acceleration of repayment due to loan covenant breaches remains a key risk which requires the Responsible Entity's focus.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

**Rounding of amounts**

The Fund is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this report and the financial report. Amounts in these reports have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

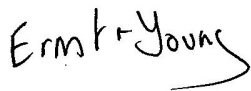
Signed in accordance with a resolution of the directors of the Responsible Entity



Philip Clark AM  
Director  
Sydney  
19 February 2009

## Auditor's Independence Declaration to ING Management Limited, the Responsible Entity for the Armstrong Jones Office Fund and the Prime Credit Property Trust

In relation to our review of the financial report of the stapled securities the Armstrong Jones Office Fund and the Prime Credit Property Trust, collectively known as the ING Office Fund, for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Douglas Bain'.

Douglas Bain  
Partner  
19 February 2009



**ING Office Fund**  
**Consolidated income statements**  
**For the half-year ended 31 December 2008**

	Note	ING Office Fund		Prime Credit Property Trust	
		2008 \$m	2007 \$m	2008 \$m	2007 \$m
<b>Revenue</b>					
Rental income		98.9	94.0	58.9	54.2
Other property income		13.6	11.1	8.5	5.9
Interest income		1.4	2.5	1.0	0.5
		113.9	107.6	68.4	60.6
<b>Other income</b>					
Net foreign exchange gain/(loss)		(76.4)	(5.7)	(20.0)	6.1
Net gain/(loss) on change in fair value of:					
Investment properties		(144.3)	109.9	(103.4)	65.5
Derivatives		(166.3)	(48.7)	(92.8)	(29.8)
<b>Expenses</b>					
Property expenses		(27.5)	(28.6)	(19.2)	(20.6)
Finance costs		(26.1)	(25.4)	(12.7)	(14.0)
Responsible Entity's fees		(5.9)	(5.6)	(3.1)	(2.7)
Other		(1.3)	(2.7)	(1.2)	(1.8)
Share of net profit/(loss) of equity accounted investments	5	(175.6)	48.4	(139.3)	12.3
<b>Profit/(loss) before income tax</b>		(509.5)	149.2	(323.3)	75.6
Income tax benefit/(expense)		54.6	(7.6)	44.4	0.3
<b>Net profit/(loss) for the half-year</b>		(454.9)	141.6	(278.9)	75.9
Net (profit)/loss attributable to minority interest		9.2	(1.2)	9.2	(1.2)
<b>Net profit/(loss) attributable to unitholders of the Fund</b>		(445.7)	140.4	(269.7)	74.7
Attributable to unit holders of:					
Armstrong Jones Office Fund		(176.0)	65.7	-	-
Prime Credit Property Trust		(269.7)	74.7	(269.7)	74.7
		(445.7)	140.4	(269.7)	74.7
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Distributions per unit	2	5.40	5.35	1.67	2.51
Earnings per unit - basic and diluted	3	(34.7)	11.4	(21.0)	6.1
Net operating income per unit	3	5.6	5.3	3.0	2.5

**ING Office Fund**  
**Consolidated balance sheets**  
**As at 31 December 2008**

	Note	ING Office Fund		Prime Credit Property Trust	
		31 Dec 2008 \$m	30 Jun 2008 \$m	31 Dec 2008 \$m	30 Jun 2008 \$m
<b>Current assets</b>					
Cash and cash equivalents		27.6	31.3	10.5	21.1
Trade and other receivables		11.8	18.1	3.9	157.5
Derivatives		-	33.6	-	9.9
		<b>39.4</b>	<b>83.0</b>	<b>14.4</b>	<b>188.5</b>
<b>Non-current assets</b>					
Trade and other receivables		100.1	84.8	-	-
Investment properties	4	2,532.0	2,481.5	1,507.8	1,432.9
Properties under construction	4	77.3	56.3	-	-
Equity accounted investments		870.5	839.8	208.1	252.1
		<b>3,579.9</b>	<b>3,462.4</b>	<b>1,715.9</b>	<b>1,685.0</b>
<b>Total assets</b>		<b>3,619.3</b>	<b>3,545.4</b>	<b>1,730.3</b>	<b>1,873.5</b>
<b>Current liabilities</b>					
Payables		52.4	19.5	52.2	14.1
Derivatives		90.6	-	46.9	6.2
Provision for distribution		34.1	34.1	10.6	21.4
		<b>177.1</b>	<b>53.6</b>	<b>109.7</b>	<b>41.7</b>
<b>Non-current liabilities</b>					
Payables		1.1	1.2	-	-
Borrowings		1,112.6	1,091.4	357.1	475.4
Deferred tax liabilities		62.4	84.5	55.6	71.6
		<b>1,176.1</b>	<b>1,177.1</b>	<b>412.7</b>	<b>547.0</b>
<b>Total liabilities</b>		<b>1,353.2</b>	<b>1,230.7</b>	<b>522.4</b>	<b>588.7</b>
<b>Net assets</b>		<b>2,266.1</b>	<b>2,314.7</b>	<b>1,207.9</b>	<b>1,284.8</b>
<b>Equity</b>					
Issued units	6	1,848.9	1,494.0	1,053.1	875.6
Reserves		62.0	(48.7)	(13.2)	(49.7)
Retained earnings		328.1	842.3	140.9	431.8
<b>Unitholders' interest</b>		<b>2,239.0</b>	<b>2,287.6</b>	<b>1,180.8</b>	<b>1,257.7</b>
Minority interest		27.1	27.1	27.1	27.1
<b>Total equity</b>		<b>2,266.1</b>	<b>2,314.7</b>	<b>1,207.9</b>	<b>1,284.8</b>
<b>Attributable to unit holders of:</b>					
Armstrong Jones Office Fund		1,058.2	1,029.9	-	-
Prime Credit Property Trust		1,180.8	1,257.7	1,180.8	1,257.7
Minority interest		27.1	27.1	27.1	27.1
		<b>2,266.1</b>	<b>2,314.7</b>	<b>1,207.9</b>	<b>1,284.8</b>
Net asset value per unit		\$1.30	\$1.81	\$0.69	\$1.00

**ING Office Fund**  
**Consolidated cash flow statements**  
**For the half-year ended 31 December 2008**

	Note	ING Office Fund		Prime Credit Property Trust	
		2008 \$m	2007 \$m	2008 \$m	2007 \$m
<b>Cash flows from operating activities</b>					
Rental and other property income		122.4	123.1	72.2	71.8
Property and other expenses		(36.6)	(36.4)	(25.4)	(24.9)
Distributions received from equity accounted investments		20.0	72.4	5.8	61.7
Interest received		1.4	2.5	1.0	0.4
Borrowing costs paid		(26.5)	(28.6)	(13.2)	(13.8)
Goods and services and value added taxes recovered/(paid) from investing and financing activities		0.7	(3.5)	-	(2.8)
		<u>81.4</u>	<u>129.5</u>	<u>40.4</u>	<u>92.4</u>
<b>Cash flows from investing activities</b>					
Purchase of and additions to investment properties and properties under construction		(34.4)	(42.7)	(9.7)	(8.9)
Proceeds from sale of investment properties		-	87.0	-	-
Proceeds on termination of derivatives		-	3.8	-	4.9
Payments to terminate derivatives		(34.7)	-	(34.7)	-
Purchase of equity accounted investments	5	-	(109.8)	-	(60.5)
		<u>(69.1)</u>	<u>(61.7)</u>	<u>(44.4)</u>	<u>(64.5)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issue of units	6	368.3	78.4	184.1	49.0
Unit issue costs	6	(0.1)	(1.3)	-	(0.8)
Distributions to unitholders	2	(68.3)	(65.2)	(32.0)	(40.9)
Proceeds from borrowings from Armstrong Jones Office Trust		-	-	165.5	59.4
Proceeds from other borrowings		164.9	77.4	136.3	58.6
Repayment of borrowings		(480.8)	(133.6)	(460.5)	(133.6)
		<u>(16.0)</u>	<u>(44.3)</u>	<u>(6.6)</u>	<u>(8.3)</u>
<b>Net increase/(decrease) in cash</b>		<b>(3.7)</b>	<b>23.5</b>	<b>(10.6)</b>	<b>19.6</b>
Cash at the beginning of the half-year		31.3	18.8	21.1	10.7
Cash at the end of the half-year		<u>27.6</u>	<u>42.3</u>	<u>10.5</u>	<u>30.3</u>

**ING Office Fund**  
**Consolidated statements of changes in equity**  
**For the half-year ended 31 December 2008**

	Note	ING Office Fund	Prime Credit Property Trust		
		2008 \$m	2007 \$m	2008 \$m	2007 \$m
<b>Total equity at the beginning of the half-year</b>		2,314.7	2,136.0	1,284.8	1,251.4
Exchange differences on translation of foreign operations:					
Unitholders of the Fund		110.4	9.0	36.5	(3.7)
Minority interest		10.4	-	10.4	-
<b>Net income recognised directly in equity</b>		120.8	9.0	46.9	(3.7)
Net profit/(loss) for the half-year		(454.9)	141.6	(278.9)	75.9
<b>Total recognised income and expense for the half-year</b>		(334.1)	150.6	(232.0)	72.2
Transactions with equityholders in their capacity as equity holders:					
Issue of units	6	354.9	77.1	177.5	48.2
Distributions paid or payable	2	(69.4)	(66.4)	(22.4)	(31.0)
		285.5	10.7	155.1	17.2
<b>Total equity at the end of the half-year</b>		2,266.1	2,297.3	1,207.9	1,340.8
Total recognised income and expense for the half-year is attributable to:					
Unitholders of the Fund		(335.3)	149.4	(233.2)	71.0
Minority interest		1.2	1.2	1.2	1.2
		(334.1)	150.6	(232.0)	72.2

## **ING Office Fund**

### **Notes to the financial statements**

#### **For the half-year ended 31 December 2008**

#### **1. Basis of preparation**

##### **(a) The Fund**

The ING Office Fund (“the Fund”) was formed on 1 January 2000 by the stapling of the units in two Australian registered schemes, Armstrong Jones Office Fund and Prime Credit Property Trust (collectively the “Trusts”).

The Responsible Entity for the Trusts is ING Management Limited. ING Management Limited is an Australian domiciled company and is a wholly owned subsidiary of ING Groep NV.

The Trusts have common business objectives and operate as an economic entity collectively known as ING Office Fund.

##### **(b) Basis of preparation**

This general purpose financial report for the half-year ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (the “Act”).

In accordance with Urgent Issues Group Interpretation 1013 *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements*, the stapling arrangement discussed above is regarded as a business combination and Armstrong Jones Office Fund (the “Parent” or “Parent Entity”) has been identified as the parent for preparing consolidated financial reports. The consolidated financial statements present the combined financial results of both Trusts.

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission, this interim financial report is a combined interim financial report that presents the financial statements and accompanying notes of both the ING Office Fund (being the consolidated financial statements and notes of the Armstrong Jones Office Fund) and the Prime Credit Property Trust.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial reports for the year ended 30 June 2008 and any public announcements made by the Trusts during the interim reporting period in accordance with the continuous disclosure requirements of the Act.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**2. Distributions**

	ING Office Fund		Prime Credit Property Trust	
	2008	2007	2008	2007
	Cents	Cents	Cents	Cents
<b>(a) Rates and amounts of distributions</b>				
Distributions have been paid or are payable in respect of the following periods at the following rates (in cents per unit):				
Quarter ended 30 September	2.700	2.675	0.837	1.680
Quarter ended 31 December	2.700	2.675	0.837	0.829
	<u>5.400</u>	<u>5.350</u>	<u>1.674</u>	<u>2.509</u>
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>
The total amounts of these distributions were:				
Quarter ended 30 September	34.1	32.6	10.6	20.5
Quarter ended 31 December	34.1	33.8	10.6	10.5
	<u>68.2</u>	<u>66.4</u>	<u>21.2</u>	<u>31.0</u>
Distributions to minority interests	1.2	-	1.2	-
Total distributions paid or payable	<u>69.4</u>	<u>66.4</u>	<u>22.4</u>	<u>31.0</u>
<b>(b) Net operating income</b>				
Net operating income is calculated as follows:				
Net profit/(loss) attributable to unitholders	(445.7)	140.4	(269.7)	74.7
Adjusted for:				
Straight line lease revenue recognition	(2.4)	(2.3)	(1.5)	(1.4)
Net foreign exchange (gain)/loss	75.8	9.5	20.1	(1.1)
Net (gain)/loss on change in fair value of:				
Investment properties	144.3	(109.9)	103.4	(65.5)
Derivatives	166.3	48.7	92.8	29.8
Investment properties included in share of net profit of equity accounted investments	179.7	(32.0)	125.1	(7.4)
Derivatives included in share of net profit of equity accounted investments	22.0	-	22.7	-
Minorities' share of loss on change in fair value of investment properties	(9.5)	-	(9.5)	-
Amortisation of tenant incentives and leasing commissions <sup>1</sup>	-	2.9	-	2.3
Deferred income tax (benefit)/expense	(58.3)	7.4	(44.5)	(0.3)
<b>Net operating income</b>	<u>72.2</u>	<u>64.7</u>	<u>38.9</u>	<u>31.1</u>

- (1) From 1 July 2008, the Fund ceased to add back amortisation of tenant incentives and leasing commissions in the net operating income calculation.

**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**3. Earnings per unit**

	ING Office Fund		Prime Credit Property Trust	
	2008	2007	2008	2007
Net operating income - \$ million	72.2	64.7	38.9	31.1
Profit/(loss) attributable to unitholders - \$ million	(445.7)	140.4	(269.7)	74.7
Weighted average number of units outstanding - millions	1,285.8	1,229.8	1,285.8	1,229.8
Net operating income per unit - cents	5.6	5.3	3.0	2.5
Basic and diluted earnings per unit - cents	(34.7)	11.4	(21.0)	6.1

**4. Property investments**

**(a) Summary of carrying amounts**

	ING Office Fund		Prime Credit Property Trust	
	31 Dec 2008	30 Jun 2008	31 Dec 2008	30 Jun 2008
	\$m	\$m	\$m	\$m
Investment properties	2,532.0	2,481.5	1,507.8	1,432.9
Properties under construction	77.3	56.3	-	-
	<u>2,609.3</u>	<u>2,537.8</u>	<u>1,507.8</u>	<u>1,432.9</u>

**(b) Individual valuations and carrying amounts**

Property	Cost to date	Latest external valuation		Carrying amount	
		Date	Valuation	31 Dec 2008	30 Jun 2008
	\$m		\$m	\$m	\$m
<b>Investment properties</b>					
<b>Armstrong Jones Office Fund</b>					
10-20 Bond St Sydney NSW	354.3	30 Jun 08	150.0	136.3	150.0
347 Kent St Sydney NSW	186.8	30 Jun 08	273.0	273.1	273.0
388 George Street Sydney NSW	153.7	31 Dec 08	180.0	180.0	190.0
Hitachi Complex Brisbane Qld	116.8	30 Jun 08	219.0	219.5	219.0
QBE House 628 Bourke St Melbourne Vic	79.8	30 Jun 08	91.0	91.1	91.0
Times Square 16-18 Mort St Canberra ACT	56.7	31 Dec 08	57.8	57.8	64.2
Budejovicka Alej Prague, Czech Republic	74.3	31 Dec 08	66.4	66.4	61.4
	<u>1,022.4</u>		<u>1,037.2</u>	<u>1,024.2</u>	<u>1,048.6</u>

**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**4. Property investments (continued)**

Property	Cost to date \$m	Latest external valuation		Carrying amount	
		Date	Valuation \$m	31 Dec 2008 \$m	30 Jun 2008 \$m
<b>Prime Credit Property Trust</b>					
111 Pacific Hwy North Sydney NSW	116.4	31 Dec 08	125.0	125.0	128.0
151 Clarence St Sydney NSW	59.2	31 Dec 08	88.0	88.0	85.0
412 St Kilda Rd Melbourne Vic	36.2	31 Dec 08	45.0	45.0	47.8
990 Whitehorse Rd Box Hill Vic	64.8	31 Dec 08	47.9	47.9	56.0
1230 Nepean Hwy Cheltenham Vic	37.8	31 Dec 08	26.0	26.0	28.0
Australian Government Centre Brisbane Qld	126.0	31 Dec 07	343.5	322.7	338.5
Campus MLC 105-151 Miller St North Sydney NSW	118.3	30 Jun 08	172.0	170.9	172.0
800 Toorak Rd Tooronga Vic	61.3	30 Jun 08	71.0	71.0	71.0
Royal Mint Centre 383 Latrobe St Melbourne Vic	33.8	30 Jun 08	54.6	52.9	54.6
Computer Associates Plaza Plano Texas USA	79.1	30 Jun 08	69.5	64.7	50.8
Homer Building 601 13th St Wash DC USA	331.8	30 Jun 08	397.3	358.9	290.6
Noblis Headquarters Falls Church Wash DC USA	136.4	31 Dec 08	134.8	134.8	110.6
	<u>1,201.1</u>		<u>1,574.6</u>	<u>1,507.8</u>	<u>1,432.9</u>
<b>Total investment properties</b>	<u>2,223.5</u>		<u>2,611.8</u>	<u>2,532.0</u>	<u>2,481.5</u>
<b>Properties under construction</b>					
<b>Armstrong Jones Office Fund</b>					
Wellington Central Perth , WA <sup>(1)</sup>	77.3	30 Sep 07	83.5	77.3	56.3
<b>Total all property investments</b>	<u>2,300.8</u>		<u>2,695.3</u>	<u>2,609.3</u>	<u>2,537.8</u>

- (1) The valuation shown is the expected value on completion of the development.
- (2) Investment property that has not been valued by external valuers at reporting date is carried at the Responsible Entity's estimate of fair value in accordance with the Fund's accounting policy.
- (3) Valuations made in a foreign currency have been converted at the rate of exchange ruling at reporting date.



**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**4. Property investments (continued)**

**(c) Movements in carrying amounts**

	ING Office Fund		Prime Credit Property Trust	
	2008 \$m	2007 \$m	2008 \$m	2007 \$m
<b>Investment properties</b>				
Carrying amount at beginning of half-year	2,481.5	2,475.5	1,432.9	1,421.0
Exchange rate fluctuations	182.8	(12.0)	170.3	(14.8)
Additions to existing property	13.4	12.8	9.7	7.5
Disposals	-	(87.0)	-	-
Amortisation of tenant incentives and leasing commissions	(3.8)	(2.9)	(3.1)	(2.3)
Straight line lease revenue recognition	2.4	2.4	1.4	1.4
Net change in fair value	(144.3)	109.9	(103.4)	65.5
Carrying amount at end of half-year	2,532.0	2,498.7	1,507.8	1,478.3
<b>Properties under construction</b>				
Carrying amount at beginning of half-year	56.3	-	-	-
Additions	21.0	27.6	-	-
Carrying amount at end of half-year	77.3	27.6	-	-

**5. Equity accounted investments**

**(a) Details of investments**

Name	Principal activity	Ownership interest	
		31 December 2008	2007
<b>Armstrong Jones Office Fund</b>			
DOF Master Fund CV <sup>(1)</sup>	Real estate investment	13.4%	20%
DOF Master Fund CVII	Real estate investment	13.4%	-
DOF Development Fund CV <sup>(1)</sup>	Real estate investment	13.4%	20%
ING Reboi SA	Real estate investment	50%	50%
Neuilly Victor Hugo	Real estate investment	50%	50%
<b>Prime Credit Property Trust</b>			
900 Third Avenue LP	Real estate investment	49%	49%
2980 Fairview Park LLC	Real estate investment	50%	50%
Waltham Winter Street group	Real estate investment	50%	50%

- (1) Notwithstanding the reduction in the Group's interest during the 2008 financial year, this investment continues to be equity accounted because the Group retained significant influence by reason of its continuing participation in policy-making processes, particularly decisions about financing and distributions.

**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**5. Equity accounted investments (continued)**

**(b) Share of net profit**

	ING Office Fund		Prime Credit Property Trust	
	2008 \$m	2007 \$m	2008 \$m	2007 \$m
Share of net profit/(loss) of:				
900 Third Avenue LP	(102.3)	9.0	(102.3)	9.0
2980 Fairview Park LLC	(12.8)	0.8	(12.8)	0.8
DOF Master Fund group <sup>(1)</sup>	(25.7)	36.3	-	-
ING Reboi SA	1.8	0.7	-	-
Neuilly Victor Hugo	(12.4)	(0.9)	-	-
Waltham Winter Street group	(24.2)	2.5	(24.2)	2.5
	<b>(175.6)</b>	<b>48.4</b>	<b>(139.3)</b>	<b>12.3</b>

(1) Comprising DOF Master Fund CV, DOF Master Fund CV II and DOF Development Fund.

**6. Issued units**

**(a) Carrying amounts**

	ING Office Fund		Prime Credit Property Trust	
	2008 \$m	2007 \$m	2008 \$m	2007 \$m
At beginning of half-year	1,494.0	1,417.6	875.6	828.0
Issued during the half-year:				
Placements and rights issues	368.2	70.0	184.1	43.9
Unit purchase plan	-	8.4	-	5.1
Unit issue costs	(13.3)	(1.3)	(6.6)	(0.8)
Transfer to net operating income (note (c))	-	(0.6)	-	(0.4)
At end of half-year	<b>1,848.9</b>	<b>1,494.1</b>	<b>1,053.1</b>	<b>875.8</b>

**(b) Number of issued units**

	ING Office Fund		Prime Credit Property Trust	
	millions	millions	millions	millions
At beginning of half-year	1,263.3	1,217.8	1,263.3	1,217.8
Issued during the half-year:				
Placements and rights issues	460.3	40.7	460.3	40.7
Unit purchase plan	-	4.8	-	4.8
At end of half-year	<b>1,723.6</b>	<b>1,263.3</b>	<b>1,723.6</b>	<b>1,263.3</b>

**(c) Transfer to net operating income**

The transfer to net operating income represents the portion of distributions paid to holders of new units for that part of the period to which the distribution relates that occurred before the issue of the units.

**ING Office Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2008**

**7. Segment information**

	ING Office Fund		Prime Credit Property Trust	
	2008 \$m	2007 \$m	2008 \$m	2007 \$m
<b>Segment revenue</b>				
Australia	85.1	80.7	42.7	38.0
United States of America	24.7	22.1	24.7	22.1
Europe	2.7	2.3	-	-
	112.5	105.1	67.4	60.1
Interest income	1.4	2.5	1.0	0.5
Total revenue	113.9	107.6	68.4	60.6
<b>Segment result</b>				
Australia	(5.0)	165.8	(3.6)	88.7
United States of America	(54.7)	13.6	(54.7)	13.6
Europe	(5.5)	1.4	-	-
	(65.2)	180.8	(58.3)	102.3
Share of net profit/(loss) of equity accounted investments:				
United States of America	(139.3)	12.3	(139.3)	12.3
Europe	(36.3)	36.1	-	-
	(175.6)	48.4	(139.3)	12.3
Interest income	1.4	2.5	1.0	0.5
Net foreign exchange gain/(loss)	(76.4)	(5.7)	(20.0)	6.1
Net loss on change in fair value of derivatives	(166.3)	(48.7)	(92.8)	(29.8)
Finance costs	(26.1)	(25.4)	(12.7)	(14.0)
Other expenses	(1.3)	(2.7)	(1.2)	(1.8)
Profit/(loss) before income tax	(509.5)	149.2	(323.3)	75.6

**8. Subsequent events**

On 15 January 2009, the Fund secured a further \$46.2 million of new equity through the retail component of the entitlement offer. This increased the number of units on issue by 57.7 million to 1,781.3 million.

**ING Office Fund**  
**Directors' declaration**  
**For the half-year ended 31 December 2008**

In the opinion of the directors of ING Management Limited, the Responsible Entity of ING Office Fund:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Fund's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
  - (ii) complying with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity



Philip Clark AM  
Director  
Sydney  
19 February 2009

To the stapled security holders of Armstrong Jones Office Fund and Prime Credit Property Trust (“the Funds”)

## Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report which has been prepared in accordance with ASIC Class Order 05/062 and comprises:

- the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the six months ended on that date, other selected explanatory notes and the directors’ declaration of the consolidated stapled entity (the “Group” or “ING Office Fund”), comprising both Armstrong Jones Office Fund and the entities it controlled, and Prime Credit Property Trust and the entities it controlled at the period end or from time to time during the period.
- the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the six months ended on that date, other selected explanatory notes and the directors’ declaration of Prime Credit Property Trust, comprising both the Prime Credit Property Trust and the entities it controlled at the period end or from time to time during the period.

## Directors’ Responsibility for the Half Year Financial Report

The directors of ING Management Limited, as Responsible Entity of the Funds, are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor’s Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity’s financial position as at 31 December 2008 and its performance for the six months ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the consolidated stapled entity and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

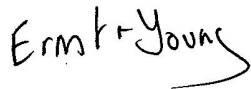
## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which follows the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the ING Office Fund and the Prime Credit Property Trust is not in accordance the *Corporations Act 2001*, including:

- i giving a true and fair view of the financial position of the ING Office Fund and the Prime Credit Property Trust as at 31 December 2008 and of their performance for the six months ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Douglas Bain  
Partner  
Sydney

19 February 2009