

REAL ESTATE INVESTMENT MANAGEMENT

Date

14 July 2010

Fund

ING Office Fund

Park Tower sale terms agreed and June 2010 valuations

Terms agreed and conditional exchange on Park Tower sale

ING Office Fund advises that it has agreed terms and entered into a conditional sale agreement (together with its 50% joint venture partner) to sell 2980 Fairview Park Drive, Falls Church, Virginia ("Park Tower") to Northrop Grumman Corporation (NYSE:NOC) who will use the building as their new corporate office.

Commenting on the proposed sale, Tino Tanfara, CEO ING Office Fund said "Verizon have been slowly vacating the building over the past 2 years and as such we implemented a repositioning strategy to take advantage of the building's high quality and prominent location. This process has been very successful in securing the major tenant enquiry in the market. The decision to in turn sell our interest was based on the superior return it will deliver to IOF unitholders."

The sale is expected to be unconditional by the end of August 2010, at which time further details will be released.

30 June 2010 valuations

ING Office Fund today also announces a 0.5% uplift in portfolio values as a result of the 30 June 2010¹ property valuations of 25 assets globally.

In total, 12 of the Fund's 25 assets were independently valued at 30 June 2010. Almost 100% of the portfolio by value has been independently valued in FY2010 with an average valuation age of less than six months. The Fund's weighted average capitalisation rate has remained steady at 7.5%.

¹ Unaudited and assuming exchange rate of US\$0.8408 and €0.6870 at 30 June 2010

Commenting on the valuations, Tino Tanfara, Chief Executive Officer, ING Office Fund, said, “There are now clear signs that values have stabilised across most markets and in some instances we have seen a modest upward movement in value. In general, the positive improvements are attributable to both solid occupational conditions in select Australian markets, and investment demand in select US locations.”

30 June 2010 valuation results summary*

Region	Australia	United States	Europe	Portfolio
Prior book value movement (30 Jun 10)	+0.8%	+1.6%	(1.3%)	+0.5%
Value movement on prior book value ¹	A\$13.1m	US\$7.1m	(€4.9m)	A\$14.3m
Weighted average cap rate movement	Nil	40bps firming	Nil	Nil
Weighted average cap rate at 30 Jun 10	8.0%	6.9%	6.4%	7.5%

*100% of portfolio – including internal and independent valuations

Australia

Over the six month period to 30 June 2010, the value of the Fund’s domestic assets increased by 0.8% from prior book values, with the weighted average capitalisation rate remaining steady at 8.0%. The key driver of the improvement in portfolio values was the improved market outlook in Sydney and Melbourne driven by anticipation of improving rents and stronger tenant demand in the medium term.

United States

The Fund’s US assets recorded an increase in value of 1.6% from prior book values over the period. The result was primarily driven by a 40 basis point firming in the weighted average capitalisation rate to 6.9%, from strong investor demand and capital flows in New York, and Washington DC. Management is continuing to work with tenants in relation to the Fund’s vacancy in Boston and expects to make more progress over the coming quarter.

Europe

The value of the Fund’s European assets declined by 1.3% from prior book values over the period. The average capitalisation rate for the European portfolio remained steady at 6.4% but was offset by weaker office market fundamentals and re-letting risks. The movement was largely in relation to the Fund’s 13.4% (€251 million) investment in the Dutch Office Fund (DOF) and was in line with management’s expectations. We continue to be in discussions with potential acquirers of our units in DOF, in line with our medium term strategy for this investment.



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Summary

Over the two year period from 30 June 2008, IOF's weighted average portfolio capitalisation rate has increased by 120 basis points from 6.3% to 7.5% resulting in an average 20% reduction in values across the portfolio. Management believe that capitalisation rates and values have now largely stabilised.

Details of the valuations are *attached*.

For further information, please contact

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About ING Office Fund

ING Office Fund (ASX code: IOF) is an externally managed ASX listed real estate investment trust and is included in the S&P/ASX100 index. The Fund is a leading owner and manager of investment grade office buildings and receives rental income from a tenant register comprised predominately of Government and blue chip tenants. IOF has total assets under management of \$2.7 billion with investments located in core business markets throughout Australia, US and Europe.

About the ING Real Estate Investment Management

ING Office Fund is one of five listed real estate investment trusts that are managed by ING Real Estate Investment Management Australia 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.

Valuation Details

Property	Location/ Metro	Value at 30 June 2010 (m)	Variance to book value (% change)	Capitalisation rate 30 Jun 10
Valuations: Australia (A\$)				
15 Adelaide Street	Brisbane	\$58.0	-1.9%	8.75%
239 George Street	Brisbane	\$120.5	-0.1%	8.75%
140 Creek Street	Brisbane	\$151.0	-0.3%	8.75%
295 Ann Street	Brisbane	\$87.0	-3.5%	8.25%
232 Adelaide Street	Brisbane	\$17.0	-5.6%	9.00%
16-18 Mort Street	Canberra	\$45.4	-6.3%	9.00%
800 Toorak Road (50%)	Tooronga	\$60.0	0.7%	8.75%
1230 Nepean Highway	Cheltenham	\$21.5	-0.5%	9.25%
383 La Trobe Street	Melbourne	\$47.5	4.6%	9.50%
628 Bourke Street	Melbourne	\$82.6	-0.1%	8.50%
105-151 Miller Street	North Sydney	\$141.0	0.6%	8.25%
111 Pacific Highway	North Sydney	\$103.7	1.3%	8.25%
10-20 Bond Street (50%)	Sydney	\$96.5	1.6%	7.50%
347 Kent Street	Sydney	\$250.0	2.0%	6.75%
388 George Street (50%)	Sydney	\$175.0	1.4%	7.00%
151 Clarence Street	Sydney	\$76.5	9.0%	8.00%
836 Wellington Street	West Perth	\$62.5	4.2%	8.50%
Total/ Average Australia		\$1,595.7	0.8%	8.0%
Valuations: USA (US\$)				
Computer Associates Plaza	Dallas	\$35.4	-2.2%	8.50%
900 Third Avenue (49%)	New York	\$137.2	-0.9%	5.80%
Homer Building (80%)	Washington DC	\$192.4	3.1%	7.10%
Waltham Woods (50%)	Boston	\$42.1	-1.5%	7.75%
Park Tower (50%)	Washington DC	\$39.3	11.3%	7.60%
Total/Average USA		\$446.4	1.6%	6.9%
Valuations: Europe (€)				
NVH (50%)	Paris	€60.1	0.6%	5.60%
Bastion Tower (50%)	Brussels	€66.0	-4.4%	6.10%
DOF (13.4%)	Netherlands	€251.0	-0.9%	6.60%
Total /Average Europe		€377.1	-1.3%	6.4%
Total Average Portfolio		\$A 2,675.4	0.5%	7.5%