

REAL ESTATE INVESTMENT MANAGEMENT

Date

17 June 2010

Fund

ING Office Fund

IOF leasing success highlights increasing tenant demand

ING Office Fund (IOF) today announced it has successfully leased almost 29,000sqm of office space across its portfolio since 1 January 2010. These commitments follow the announcement of the successful letting to QR at 295 Ann Street, Brisbane in February 2010.

As a result, the portfolio has an occupancy level of 92% as at 31 May 2010:

- Australia 99% (up from 96%^{1,2});
- US 81% (up from 79%²); and
- Europe 93% (up from 92%²).

ING Office Fund Chief Executive Officer, Tino Tanfara, said “It is encouraging to see demand for office space and leasing activity returning in the Australian market. We believe current activity supports the view that tenants are looking to lock in their future occupancy requirements before market conditions improve further.”

Major leasing transactions include:

- New three year lease to Westpac Banking Corporation for 10,500sqm of space at 151 Clarence Street, Sydney, filling the potential vacancy from the existing tenant with no downtime from lease expiry on 30 June 2010. The property will be 100% occupied.
- New 3,000sqm lease to the Department of Transport and Main Roads at 140 Creek Street, Brisbane, taking their total area occupied in the building to over 8,800sqm until June 2016.

Mr Tanfara commented that, “Supply is generally constrained in the major Australian CBD markets, with relatively low vacancy levels and improving tenant demand. As a result we expect to see some effective rental growth over the next 12 months, particularly in the Sydney CBD.”

¹ excluding 10-20 Bond Street, Sydney redevelopment

² at 31 December 2009

These recently negotiated leases follow the new lease to QR in February 2010, for circa 15,000sqm at 295 Ann St, Brisbane. The property is part of IOF's Australian Government Centre complex. IOF is redeveloping this property targeting a new 4.5 star NABERS energy rating with staged completion and occupation from July 2010.

During the period over 1,900sqm of leases have been executed in the US and European portfolio which has seen occupancy improved across the US portfolio to 81% and the European portfolio to 93%.

Further details relating to individual lease deals over 1,000sqm are attached.

Redevelopment update: 10-20 Bond Street, Sydney

The building's refurbishment and upgrade program is progressing on time and on budget, with the first tranche of space available for occupation by the end of September 2010. The project is targeting a 5 Star NABERS energy rating on completion.

The level of tenant enquiry far exceeds the current available space with interest predominately from professional services and financial services groups.

"We are pleased with the level of enquiry that we have received at this early stage of the project. Formal marketing has recently commenced and we expect that this will in turn generate additional enquiry for the property" said Mr Tanfara. "Further, we believe that positive momentum in tenant demand and a potential decline in incentive levels, position us well to lease 10-20 Bond Street in line with our expectations."

Vacancy update: US portfolio

Management continues to see improving tenant demand and enquiry levels at Waltham Woods and Park Tower, with these assets contributing to the majority of the Fund's current portfolio vacancy.

At Waltham Woods, Boston, enquiry levels have increased predominately from tenants in the IT, technology and medical sectors. A number of active enquires are currently in negotiation.

Whilst enquiry levels are active at Park Tower, Northern Virginia, particularly from government contractors and government related groups, progressing to the next stage has been challenging. Management is exploring opportunities to capitalise on the building's prominent location and targeting tenants seeking a head office location. Encouragingly, management is progressing discussions with a large national tenant for the entire building.

Guidance

Management reaffirms FY2010 operating income guidance of 5.6 cents per unit and distribution per unit of 3.9 cents.

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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\$100 billion. ING Real Estate Investment Management is one of the leading investment management companies and serves a broad client base from four 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.



ASX Announcement

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IOF Australian portfolio leasing 1 Jan 2010 to date							
Property	Tenant	Level	Start Date	Duration (yrs)	Area (sqm)	Face rent (A\$ / sqm)	Net / Gross
295 Ann Street	Q-Rail*	Lvls LG, 1, 3-11, 15	Jul-10 to Nov-12	10.0	15,317	537-589	Gross
151 Clarence Street	Westpac Banking Corporation	Levels 1, 3-8	15-Jul-10	3.0	10,571	525	Gross
140 Creek Street	Department of Transport & Main Roads	Level 3, 4, 5, 7 & 12	01-Apr-12	4.2	5,821	614	Gross
140 Creek Street	Department of Transport & Main Roads	Level 2 (part), 21 & 22	01-Jul-10	6.0	2,998	590	Gross
151 Clarence Street	NSW Department of Education & Training	Level 10 & 12	27-Apr-10	1.0	1,397	468	Gross
232 Adelaide Street	Pacific Gateway International College	Levels 1 & 2	01-Jul-10	6.0	1,384	500	Gross

* Details announced February 2010.