



REAL ESTATE INVESTMENT MANAGEMENT
ING INDUSTRIAL FUND ARSN 089 038 175

IIF Unitholder Update - Chairman's Letter

4 January 2011

Dear IIF Unitholder,

I wrote to you in late November 2010, regarding the ING Group's strategic review of its Real Estate Investment Management business (REIM), and the Board's involvement in conjunction with ING and REIM Australia management to develop and assess a variety of strategic options with the objective of maximising value for all IIF unitholders.

In October 2010, the IML Board announced it had received a conditional, incomplete and non-binding offer from a Goodman Group led consortium which includes three major pension/sovereign wealth funds (Goodman Consortium) to acquire all the ordinary units of IIF. This proposal was subject to due diligence which was granted by the Board in November 2010.

On 23 December 2010, following completion of due diligence, the Goodman Consortium made a revised proposal to the Board of IML. After careful consideration the Board concluded the revised offer provided you with an opportunity to immediately realise a premium price for your investment in IIF. Whilst the Board is of the belief that IIF is well positioned to continue to deliver stable distributions to you into the future, it determined that the relative certainty delivered by this cash offer is in your best interests as an IIF unitholder in the absence of any superior proposal.

Subsequently the Board announced that it had entered into an Implementation Agreement ("Agreement") with the Goodman Consortium to acquire all the ordinary units of IIF under an informal trust scheme of arrangement ("Scheme").

Under the terms of the Scheme you will receive \$0.546 per unit less distributions declared or paid to completion of the transaction. Simply, if the Scheme is approved by unitholders on or after 22 March 2011 investors who held units as at 23 December 2010 will be entitled to:

- The December 2010 quarter distribution estimated at 0.8 cents per unit, expected to be paid on 28 February 2011; plus
- The March 2010 quarter distribution estimated at 0.8 cents per unit which is forecast to be declared on 22 March 2011.

A full explanation of how the payment scheme will operate will be outlined in the Scheme documentation to be mailed to investors in February 2011.

The post expected distribution price of \$0.53 per unit represents:

- A premium of 15% to the closing price of \$0.46 on 27 October 2010, the day prior to the announcement that the Board had received an indicative proposal; and
- A premium of 22% to the six month volume weighted average price prior to 27 October 2010 of \$0.44.

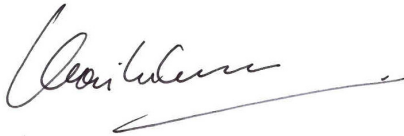
Subject to an Independent Expert concluding that the Scheme is in your best interests as an IIF unitholder, and in the absence of a superior proposal, the Board intends to recommend that you vote in favour of the Scheme at the Scheme meeting (expected to take place in March 2011).

A Scheme booklet containing information relating to the proposed acquisition (together with the Independent Experts report) is expected to be sent to IIF unitholders in mid February 2011, with a unitholder meeting to vote on the proposed Scheme to be held in mid March 2011. Subject to the approval of the Scheme by unitholders and the timely satisfaction (or waiver) of conditions, the Board expects the transaction to be completed by the end of March 2011.

Subject to those same qualifications, each Director of IML intends to vote all the IIF shares held or controlled by them in favour of the Scheme at the Scheme meeting.

To assist the Board in its analysis, the Board is advised by Goldman Sachs, UBS AG and Mallesons Stephen Jaques.

Yours sincerely,



Kevin McCann
Independent Chairman
ING Management Limited