

ING Industrial Fund Annual Report

30 June 2007

For personal use only



UNIQUE GLOBAL ADVANTAGE

ING Industrial Fund is one of eight property funds managed by ING Real Estate Australia on behalf of over 60,000 investors. In Australia, the main activities of ING Real Estate include funds management, property and asset management, finance and development. Operations span global real estate markets and encompass office, industrial, retail, seniors and student housing, entertainment and healthcare property sectors. ING Real Estate Australia is part of the ING Real Estate global platform, one of the world's leading property investment managers, with over \$160 billion in assets under management and a presence in 27 countries across the globe.

ING REAL ESTATE

\$160 BILLION IN ASSETS UNDER MANAGEMENT
PRESENCE IN 27 COUNTRIES



CATALYST BUSINESS PARK, NSW, AUSTRALIA



BRIESELANG DISTRIBUTION CENTRE, BRIESELANG, GERMANY



3	HIGHLIGHTS
4	KEY FINANCIAL DATA
6	CEO'S LETTER
8	MANAGER'S REPORT
20	PROPERTY PORTFOLIO
28	BOARD OF DIRECTORS
31	CORPORATE GOVERNANCE
39	FINANCIAL INFORMATION
62	OTHER INVESTMENT OPPORTUNITIES
64	INVESTOR RELATIONS
65	CORPORATE DIRECTORY

ING Industrial Fund (IIF) is a full service industrial space provider in key global markets, based on an operating model of “develop, own and manage”. IIF invests in prime industrial properties and business parks which demonstrate potential for income and capital growth over the medium to long term.

IIF is a publicly listed property trust in Australia and is included in the S&P/ASX 100 index. With total assets of A\$5.6 billion, IIF is Australia’s largest listed industrial trust. The Fund’s highly diversified portfolio of 547 industrial properties span across Australia, Canada and Western Europe. IIF boasts a high quality portfolio of properties located near major infrastructure networks that are highly sought after by blue chip companies. The Fund has a substantial development pipeline in Australia and Canada to cater for the expansion requirements of its customer base and attract new companies to the Fund’s property portfolio.

For personal use only

Expeditors

HIGHLIGHTS

Increased distributions by **7.4%** to \$16.65 cents per unit.

Increased net asset backing by **8.2%** to \$2.25 per unit.

Completed acquisition of **\$2.3 billion** of new investments, including a 50% interest in Summit REIT, the largest owner of industrial property in Canada.

Completed construction of over **200,000 sqm** of new space in Australia and Canada, at an average yield on cost of 8.0%.

Maintained a high portfolio occupancy rate of **98%**, and weighted average lease term to expiry of **5.0 years**.

Leased over 1 million sqm, representing **\$57.6 million** of annual rental income.

Increased the Fund's development pipeline to provide a total future development capacity in excess of **2.0 million sqm**.

Maintained strong **five year growth** in distributable income (5.8% pa), distributions (4.7% pa) and net asset backing (over 10% pa).

KEY FINANCIAL DATA

30 JUNE	2007	2006
ASX closing price	\$2.34	\$2.23
Total distributions (cents per unit)	16.65	15.50
Tax deferred component	45.1%	43.7%
Annualised yield on closing price ¹	7.1%	7.0%
12 month total return ²	12.6%	14.2%
Net asset backing per unit	\$2.25	\$2.08
Market capitalisation	\$2,591m	\$1,955m
Retained distributable income	\$12.5m	\$5.5m
Total assets (look through)	\$5,572m	\$2,684m
Gearing ratio (debt to total assets) ³	36%	32%
Units on issue	1.11b	0.88b
Number of unitholders	21,636	20,328

1) FY07 distribution as a % of closing price

2) Source: UBS

3) Look through gearing is 44%

For personal use only

111



Corporate
Express

For personal use only



PAUL TOUSSAINT
CHIEF EXECUTIVE OFFICER
ING INDUSTRIAL FUND

The past 12 months has been a very successful period for ING Industrial Fund ("IIF" or "the Fund"), marked by strong increases in earnings, distributions and net asset backing.

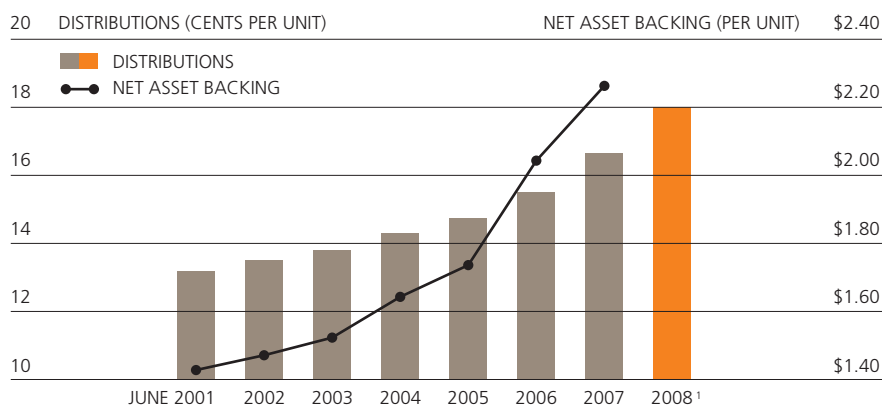
Following an active year of growth, we are pleased to provide unitholders with a distribution of 16.65 cents per unit for the full year, an increase of 7.4% on the prior period.

The year's activities were dominated by the Fund's investment into the Canadian market, acquiring a 50% interest in the Summit portfolio which comprises Canada's largest most diversified industrial property portfolio with substantial holdings in all major cities.

The Fund's acquisition teams were also active in Europe and Australia, securing a further 11 properties in Germany, Spain and Belgium, and 4 properties in New South Wales and Victoria.

The Fund's development activities have continued to supply new high quality buildings to the portfolio at attractive yields, with total development costs substantially below equivalent market value. Development completions in Australia during the year exceeded 2006 levels. Acquisition of several major sites in Canada has ensured that both the Australian and Canadian portfolios will continue to have an active development pipeline over forthcoming years to meet the requirements of its large customer base.

DISTRIBUTION AND NET ASSET BACKING



1) Management guidance

The Fund's quality property portfolio enjoys a long average lease term of 5.0 years and a high occupancy level of 98%, underscoring the security of the Fund's income stream.

In order to maintain this position, the Fund's experienced and dedicated team of industrial property professionals will provide continued excellence in all areas of portfolio management.

Australia, Canada and Europe have enjoyed continued economic growth over the past year, with excellent fundamentals in all major industrial real estate markets within these regions. With a strong global industrial market, a diverse property portfolio and the inherent stability of industrial real estate, the Fund is well positioned to continue to deliver superior returns to investors.

ING Real Estate's global platform has provided tangible benefits for unitholders in recent years. The proven ability of the ING Real Estate network to source and support transactions for IIF, providing global solutions with local expertise, has delivered value for unitholders. Management's objective is to provide strong risk adjusted returns for the Fund's 20,000+ unitholders through the continued growth of IIF's operating model; to develop, own and manage a portfolio of prime industrial properties and business parks in key global markets.

On behalf of the Directors and Management of ING Management Limited, we thank unitholders for their continued support and look forward to another successful year ahead.

Yours sincerely,



PAUL TOUSSAINT
Chief Executive Officer
ING Industrial Fund

MANAGER'S REPORT

NEW INVESTMENTS

The Fund has had an exceptional year for acquisitions, with new investments in excess of A\$2.3 billion.

The Joint Venture between IIF and ING Real Estate to acquire Summit REIT in Canada marked the major acquisition of the past 12 months, in line with the Fund's international investment strategy of focusing on assets which demonstrate the greatest potential for future growth.

An additional A\$318 million of acquisitions were also completed in Europe and Australia. These properties exhibit excellent fundamentals in terms of price, location, building quality, yield, lease term and tenant covenant.

CANADA

In August 2006, Management announced that IIF had formed a joint venture with ING Real Estate to acquire Canadian listed Summit REIT, the largest owner of industrial property in Canada, on a 50/50 basis. Upon completion of the acquisition in early 2007, the portfolio was renamed ING Summit Industrial Fund.

Representing an investment of A\$1.98 billion by IIF, the ING Summit portfolio is highly diversified, encompassing six provinces and eight major markets with a customer base which is representative of all major segments of the Canadian economy. The portfolio of over 450 properties accommodates more than 3000 tenants, with no single tenant providing more than 2% of the portfolio rent roll. Upon acquisition, the portfolio was 96% leased with an average lease term of 4.8 years.

The ING Summit portfolio comprises properties utilised for warehousing, logistics and light assembly, typically being single level buildings located in or near major cities. As in Australia, this sector of the real estate market is attractive due to its long-term strength and stability, with lower market rent volatility, lower operating costs and more generic-use space.

Canada is characterised by a large, strong modern economy and well established, stable and transparent real estate markets. National industrial real estate occupancy levels are approximately 95%, significantly better than most U.S. industrial markets.

This landmark acquisition has provided IIF with immediate scale in all key industrial markets in Canada, and a sound platform to further enhance the portfolio by increased development activity particularly in growth markets such as the oil rich province of Alberta.

The ING Summit portfolio is managed by ING Real Estate Canada's experienced team of over 180 employees.

EUROPE

During the year, IIF added a further 11 European properties to its portfolio, investing A\$257 million in acquisitions in Germany, Spain and Belgium. The average yield on price of these 11 assets was 7.7%, with an average lease term of 7.9 years.

2335 SPEERS ROAD, ONTARIO, CANADA



ERFURT PDLZ DIST. CENTRE, APFELSTÄDT, GERMANY



EUSTON BUSINESS CENTRE, NSW, AUSTRALIA



Germany

In August 2006, IIF acquired the Fiege TTS Portfolio, comprising six industrial properties in five markets in Germany with an attractive initial yield of 8.5%. All properties have ten year net leases back to the vendor, leading German logistics firm Fiege Deutschland, with fixed annual increases.

Also acquired from Fiege in December 2006 was Lahr Distribution Centre. This newly developed 36,230sqm logistics facility is occupied by Fiege and client Bridgestone under an eight year lease. The property is situated in Southern Germany on the A5 Autobahn corridor near the Swiss and French borders, and has additional land suitable for a further 17,000sqm of development.

Spain

IIF acquired three further logistics properties in Spain for a total of A\$69 million during the year. All three properties were constructed in 2005/06 in established industrial areas within metropolitan Madrid, and all are 100% leased.

Valdemoro Distribution Centre is a 7,805sqm warehouse building located on the A4 motorway in Madrid's South, and benefits from immediate access to Madrid's radial motorway system.

The other two properties are located in the Henares corridor, Madrid's most sought after warehouse and logistics precinct on the A2 motorway. Subdivided into four tenancies, Daganzo II Distribution Centre has a lettable area of 24,270sqm and is in good proximity to the Madrid CBD and Madrid-Barajas International Airport. Quer II is a 22,083sqm logistics facility adjacent to another IIF property (Great Northern Distribution Centre).

Belgium

In December 2006, IIF made its first investment into the Belgium market with the newly constructed A\$51 million Puurs Distribution Centre. This 9.8 hectare property is only 12 km from Antwerp, Europe's third largest container port. Leased for nine years to Fiege and its client Ingersoll-Rand, the property boasts additional land suitable for further 20,000sqm of new development.

All 11 of the properties detailed above were secured off market by ING Real Estate's acquisition teams in Europe, in conjunction with Management in Australia.

AUSTRALIA

The Fund added to its portfolio with a further four Australian assets, acquired for an aggregate price of A\$47 million, and showing an average yield on price of 7.4% and an average lease term of 7.8 years.

The acquisitions further strengthen the Funds weighting in the highly sought after industrial locations of Alexandria, Arndell Park and Erskine Park in Sydney.

During the year, the Fund also invested in its fifth development joint venture with ING Real Estate – a 2.2 hectare development site in the prime South Sydney industrial suburb of Banksmeadow. The site will be redeveloped upon expiry of the existing lease, providing some 12,000sqm of high quality strata industrial space.

LOCATION	INVESTMENT	PURCHASE PRICE (AUD)
Canada	(50% of Summit Portfolio)	\$1,980m
Germany	(7 properties)	\$137m
Belgium	(1 property)	\$51m
Spain	(3 properties)	\$69m
Australia	(4 properties)	\$47m
Australia	(1 partnership project)	\$14m
Total new investments		\$2,298m

MANAGER'S REPORT

DEVELOPMENT

Development is an integral part of the Fund's activities, providing a number of benefits to the Fund. These include ensuring a supply of new product to satisfy current and future clients, and providing a supply of investment product to the Fund in markets where availability of investment product is limited. Development also enables the Fund to achieve higher initial and total returns and lower acquisition costs than the equivalent investment property.

Development also enhances the Fund's portfolio profile with respect to average building age and weighted average lease term, as most new developments have lease terms equal or greater than the portfolio average.

In the past year the Fund completed development projects in Australia and Canada totalling over 200,000sqm. Ten Australian projects were completed at an average yield on cost of 7.9%, and the nine Canadian projects were completed at an average yield on cost of 8.0%.

Significant projects completed in Australia include:

- > Moorebank Business Park, Moorebank NSW
16,000sqm national distribution headquarters for whitegoods company Electrolux
- > Moorebank Business Park, Moorebank NSW
18,000sqm national headquarters for Toyota Industries Corporation Australia
- > Westpark Industrial Estate, Erskine Park NSW
7,000sqm facility for Capral
- > Westpark Industrial Estate, Erskine Park NSW
12,000sqm facility for global paper products firm SCA Hygiene
- > Rosehill Industrial Estate, Rosehill NSW
19,000sqm facility for logistics operator Northline Distribution Services
- > Rosehill Industrial Estate, Rosehill NSW
11,000sqm distribution facility for global appliance manufacturer Miele
- > Huntingwood Business Centre, Huntingwood NSW
4,000sqm office / warehouse facility for NYSE listed plastics firm Channell

MOOREBANK BUSINESS PARK, NSW, AUSTRALIA



The Fund has a substantial development pipeline in Australia and Canada, representing over 2 million sqm and more than five years supply of new product.

As at 30 June 2007, the Fund had commenced a significant number of development projects which will be completed by 30 June 2008. A total of 18 development projects in Australia and Canada totalling over 350,000sqm are expected to be completed in FY08, an increase of 70% on FY07 volumes.

Projects commenced and due to complete by 31 December 2007 include:

- > Interchange Park, Eastern Creek NSW
29,000sqm state distribution centre for Myer
- > Moorebank Business Park, Moorebank NSW
13,000 sqm distribution facility for BMW Australia
- > Keylink Industrial Centre, Minto NSW
38,000sqm distribution facility for Australian Discount Retail
- > Westpark Industrial Estate, Erskine Park NSW
17,000sqm distribution facility for Kagan Logistics

JOINT VENTURE PROJECTS

IIF has invested alongside ING Real Estate Investment Management Australia (ING REIMA) in five development projects. These projects will continue to provide the Fund with an attractive earnings stream, providing returns on investment in excess of 18%. The Fund's current investment is in the order of \$100 million.

These projects are diversified by location and product type, ranging from land subdivisions in Melbourne's West and Queensland's Brisbane-Ipswich corridor, to strata office development in Sydney's Northwest and industrial strata unit developments in Melbourne's East and in South Sydney. Timing for development and realisation are also diversified, with earnings from these projects to occur over a five year timeframe.

ROSEHILL INDUSTRIAL ESTATE, NSW, AUSTRALIA



For personal use only



LEASING

The Fund has maintained its excellent leasing track record consistent with previous years, posting a customer retention rate of 75%, in line with its benchmark.

Management takes a very hands on approach to all of its customer relationships. Even in markets where managing agents are used to administer the day to day accounting and property maintenance, our team of Asset Managers maintain a personal relationship. This approach has contributed significantly to the Fund's retention figures, and a consistently high occupancy.

Over the past 12 months, the Fund leased a total of over 1.0 million sqm, providing a total annual income of A\$57.6 million. An average lease term of 5.9 years was achieved, providing a high level of income security for unitholders over future years.

Of the 263,000sqm leased in Australia, over 55% results from development activities of the Fund. The average new lease term achieved in the Australian portfolio, including development leasing, was 7.1 years.

The Fund's European portfolio boasts 100% occupancy with a weighted lease term to expiry of over 6.5 years.

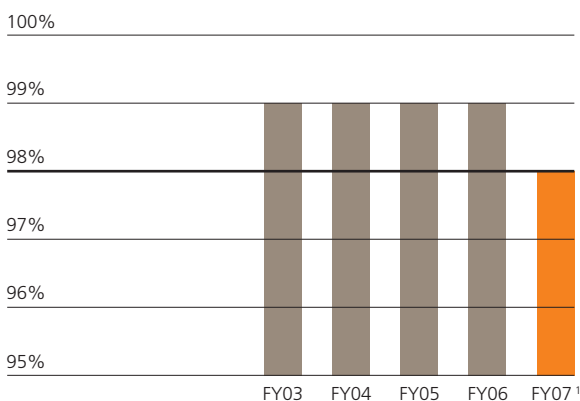
REVALUATIONS

Independent revaluations of 38 of the Fund's properties in Australia and Europe were carried out during the year, resulting in an overall increase on book value of \$120 million or an average of 6.0% on the book value of the properties. The revaluations resulted in significant increase in the Fund's net asset backing of 11 cents per unit, or 5.3%.

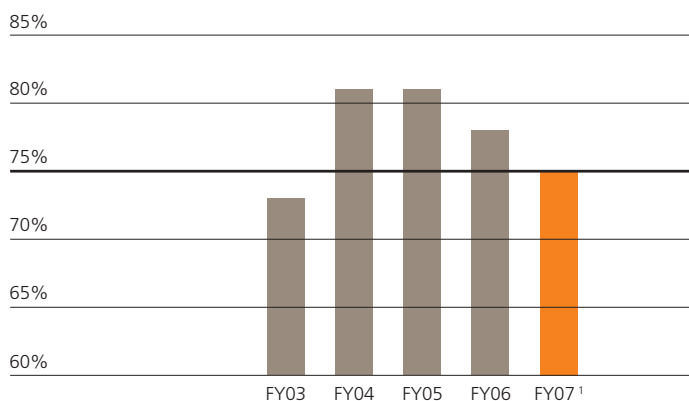
The Fund's development projects have made a substantial contribution to these revaluations. Development and leasing of Rosehill Industrial Estate, NSW occurred in February 2007. This premier estate subsequently posted a gain of \$9.2 million or 6.8% on book value, to \$144.5 million. This property subsequently became the inaugural winner of the PCA Property Investment Award for Business and Industrial Parks.

The valuation results reflect the quality and diversity of the Fund's property portfolio and the strength of the key markets the Fund has invested in. The Fund is therefore well positioned to continue to capture attractive returns from its global property portfolio.

PERIOD END OCCUPANCY RATES



TENANT RETENTION RATES



1) Canada (weighted 50% of portfolio) included in FY07 data only.

MANAGER'S REPORT

CAPITAL MANAGEMENT

INTEREST RATE AND FOREIGN EXCHANGE HEDGING

The Fund has borrowings of \$1.7 billion, or 36% of total assets. Exposure to interest rate movements in future years is reduced through a combination of fixed rate loans and interest rate derivatives (collectively known as hedging). Over 70% of the Fund's debt is currently hedged for an average term of 7.1 years.

IIF seeks to acquire quality assets in key global markets. Often this means investing in overseas assets which offer better total return prospects on a risk adjusted basis. While these investments can provide excellent property returns to the Fund, the Fund may be exposed to currency risks through movements in foreign exchange rates.

To protect future earnings and the Fund's capital base against fluctuations in foreign exchange rates, the Fund undertakes a comprehensive hedging strategy to mitigate these risks. Hedging is a strategy that reduces the risk that movements in foreign exchange rates will impact the Fund's income and capital returns.

CAPITAL RAISINGS

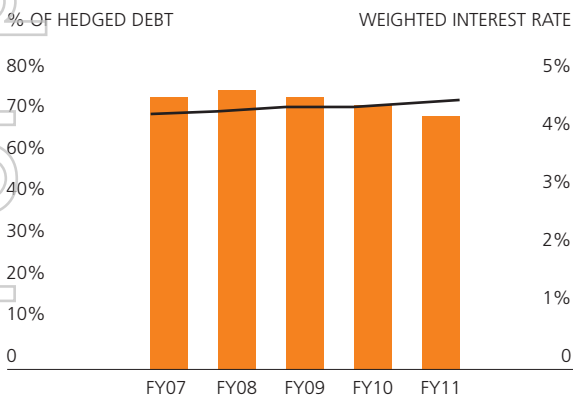
A number of capital raisings were completed during the year ended 30 June 2007 to assist with the funding of acquisitions made during the year in Australia, Canada and Europe, along with the Fund's development activities.

The equity sources included an institutional placement (\$92 million), Distribution Reinvestment Plan (\$104 million) and the Unit Purchase Plan offered to all unitholders in May 2007.

The Fund also completed an Institutional Entitlement Offer and a Retail Entitlement Offer of Convertible Loan Securities (CLS) in September and October 2006. The CLS offer raised a total of \$300 million which IIF used in funding the acquisition of 50% of the assets of Canadian listed Summit REIT. The CLS were converted to Units in the Fund on 29 December 2006.

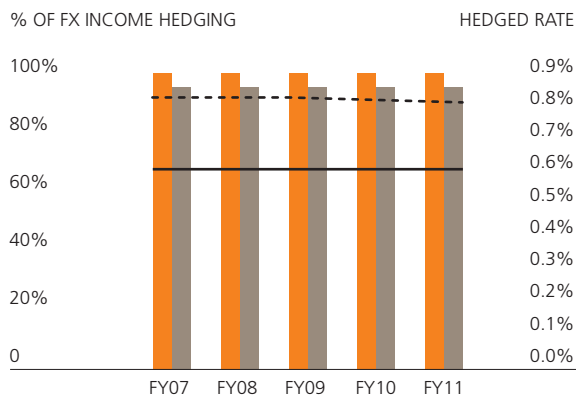
The capital raisings detailed above amount to \$511 million of new equity raised at an average 6.3% premium to net asset backing. A further \$400 million was raised via issue of Exchangeable Notes in April 2007, forming the last tranche of the funding for the Summit transaction.

INTEREST RATE HEDGING



■ % OF ALL DEBT HEDGED
— ALL DEBT – WEIGHTED RATE (EXCLUDING MARGIN)

FOREIGN EXCHANGE INCOME HEDGING



■ EUR
■ CAD
— CAD HEDGED RATE
- - - EUR HEDGED RATE

For personal use only



For personal use only

1

2

THE ING REAL ESTATE PLATFORM: GLOBAL SOLUTIONS, LOCAL EXPERTISE

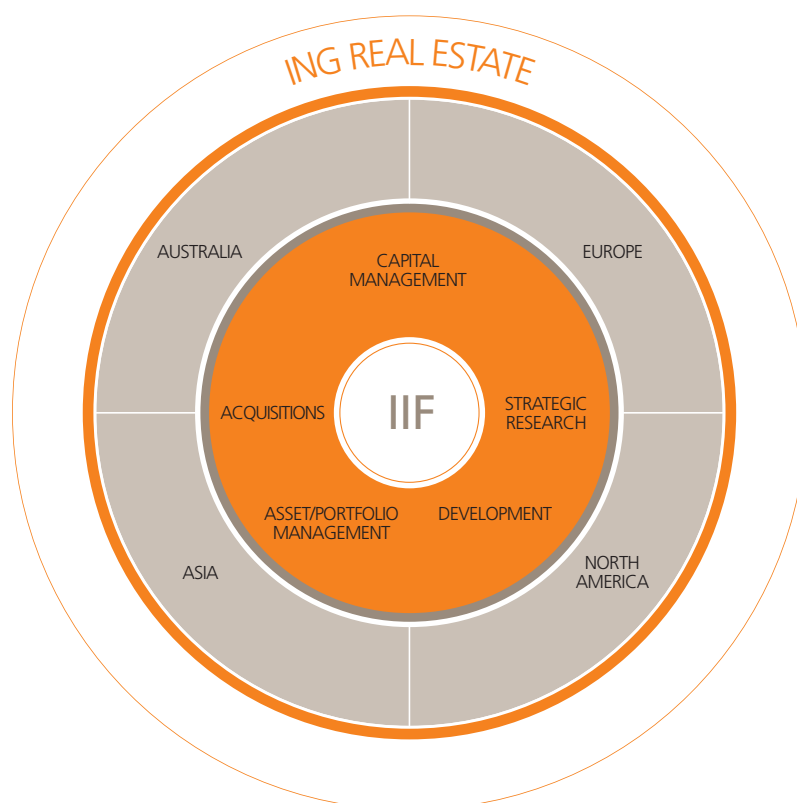
For personal use only

IIF's professional, experienced and committed team work to optimise the Fund's portfolio and enhance returns to investors. The Fund's local team is supported by the strength of the global framework of ING Real Estate, ensuring sound investment principles in domestic and foreign markets.

When considering new investments and finalising transactions, IIF draws from the support and expertise of the global ING Real Estate network. In its offshore endeavours, IIF utilises ING Real Estate's local acquisition teams with crucial on-the-ground knowledge and experience in sourcing and securing acquisitions.

ING Real Estate boasts a global strategic research arm that provides the Fund with intellectual capital, including comprehensive analysis of local markets, rent and occupancy trends, economic outlook, employment trends and demographic shifts.

In Australia, IIF's senior management comprises a dedicated and stable team of industrial property professionals with over 100 years of relevant industry experience. The Fund has a disciplined approach to investment and enjoys strong relationships with tenants, suppliers and other stakeholders. IIF has a strong performance culture, with consistently high results over the past five years in tenant retention, leasing, occupancy, successful development and offshore acquisitions.



DEVELOPMENT PIPELINE

With over 2.0 million sqm of development capacity across two regions, the Fund has the capacity to deliver further portfolio enhancing developments over the medium term. Management has sought to acquire the best development sites in key precincts in Australia and Canada, where occupier demand is highest.

IF's inhouse development team identifies, assesses, negotiates and acquires development sites, and manages the total delivery process from master planning, infrastructure and building design, and authority consents through to negotiation of customer precommitments and full development management. Where mutually advantageous, the Fund also has joint venture development partners to leverage its capability to deliver meaningful volumes of new projects.

Four of the Fund's most significant sites currently under development are profiled below:

Interchange Park, Eastern Creek NSW Australia

This 58 hectare site was formerly a rundown amusement park, situated on a prominent site adjacent to Sydney's M4 Motorway and the now completed M7 WestLink motorway. Whilst surrounded by Employment zoned land, the site was still zoned in accordance with its theme park use.

The Fund announced the acquisition of the site in 2005. Over the ensuing two years, the Fund succeeded in securing rezoning of the property, formal release of the land for development, an approved Master Plan, and development approval for demolition of existing site improvements, bulk earthworks, and construction of roading and infrastructure – all necessary precursors to construction of industrial buildings on a large scale estate such as this.

Construction of 60,000sqm of new buildings is currently under way, including Myer's new State Distribution Centre. The site is capable of accommodating a further 200,000sqm of new high quality industrial and business park space.

The estate when completed in or about 2010, will be one of the Fund's landmark properties, occupying one of the highest profile locations in Sydney's Outer West.

Moorebank Business Park, Moorebank NSW Australia

This property, in Sydney's South West, was acquired as a 26 hectare development site in June 2003, and is now 53% committed.



INTERCHANGE PARK, NSW AUSTRALIA

A Development Agreement was entered into with national commercial/industrial developer Australand, which has provided the Fund with a land rental income return in excess of 7.7% on all undeveloped land since acquisition.

To date, new facilities for Electrolux, Criterion and Toyota Industries have been completed, with a distribution centre for BMW under construction and due for completion in late 2007. The estate is capable of accommodating a further 31,000sqm of new construction, and on completion will have a value in excess of A\$135 million.

Saddleridge, Calgary, Alberta Canada

This 128 hectare site was acquired in 2006 and represents the Fund's most exciting development project in Calgary. This greenfields development site is located adjacent to Calgary International Airport, with immediate access to Calgary's motorway system and Yellowfoot Trail, the primary road link connecting Calgary and Edmonton.

Management are currently undertaking master planning and seeking development approval, with servicing work to commence in 2008 and the first building construction expected to occur in 2009. Upon completion, this estate will provide over 300,000sqm of space, with a value in excess of A\$400 million.

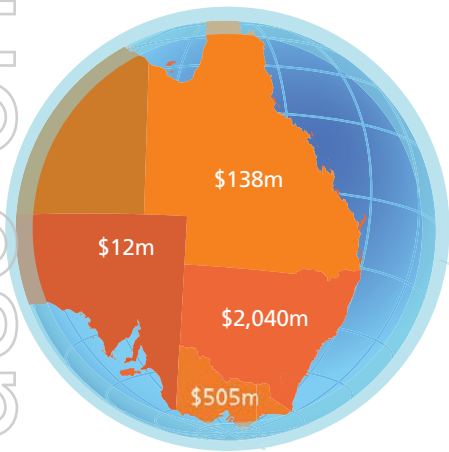
CityWest North and South, Edmonton, Alberta and Northport, Edmonton, Alberta Canada

CityWest occupies a prime position on Edmonton's western orbital expressway, near the junction with TransCanada Highway #16. This site comprises two recently completed buildings totalling 45,000sqm, occupied by logistics provider MTE Logistix and international electrical equipment supplier Sonepar. A third building is under construction, and this final stage of CityWest is over 20% committed prior to completion.

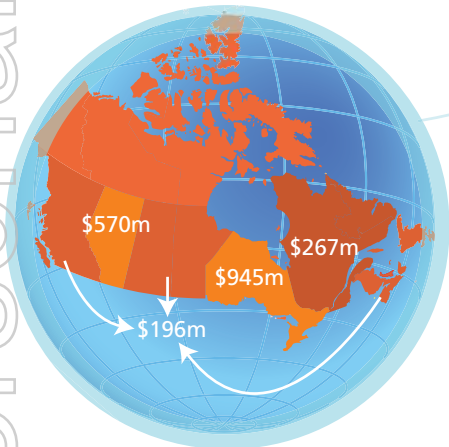
Immediately north of CityWest is the recently acquired Northport site, a 53 hectare greenfields development site with excellent access to TransCanada Highway #16 and adjacent to CN Rail's new intermodal yard. This property can accommodate over 160,000sqm of new warehouse and distribution space, with a value on completion of over A\$230 million. Servicing work has commenced, and the first building construction is expected to occur in 2008.



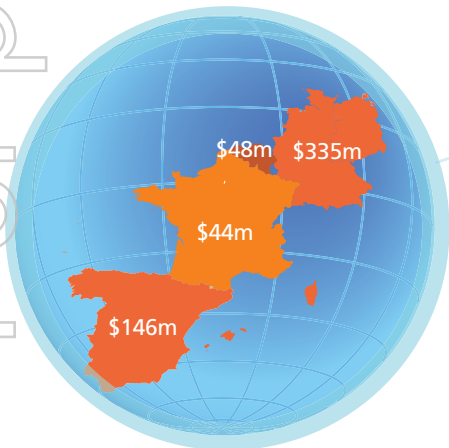
For personal use only



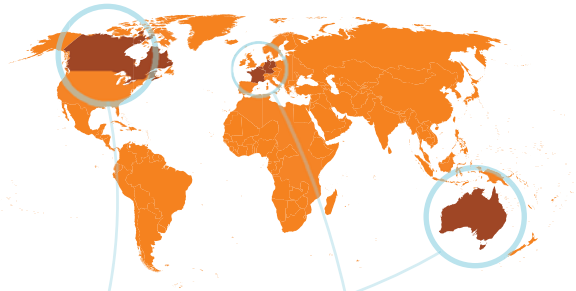
Australia



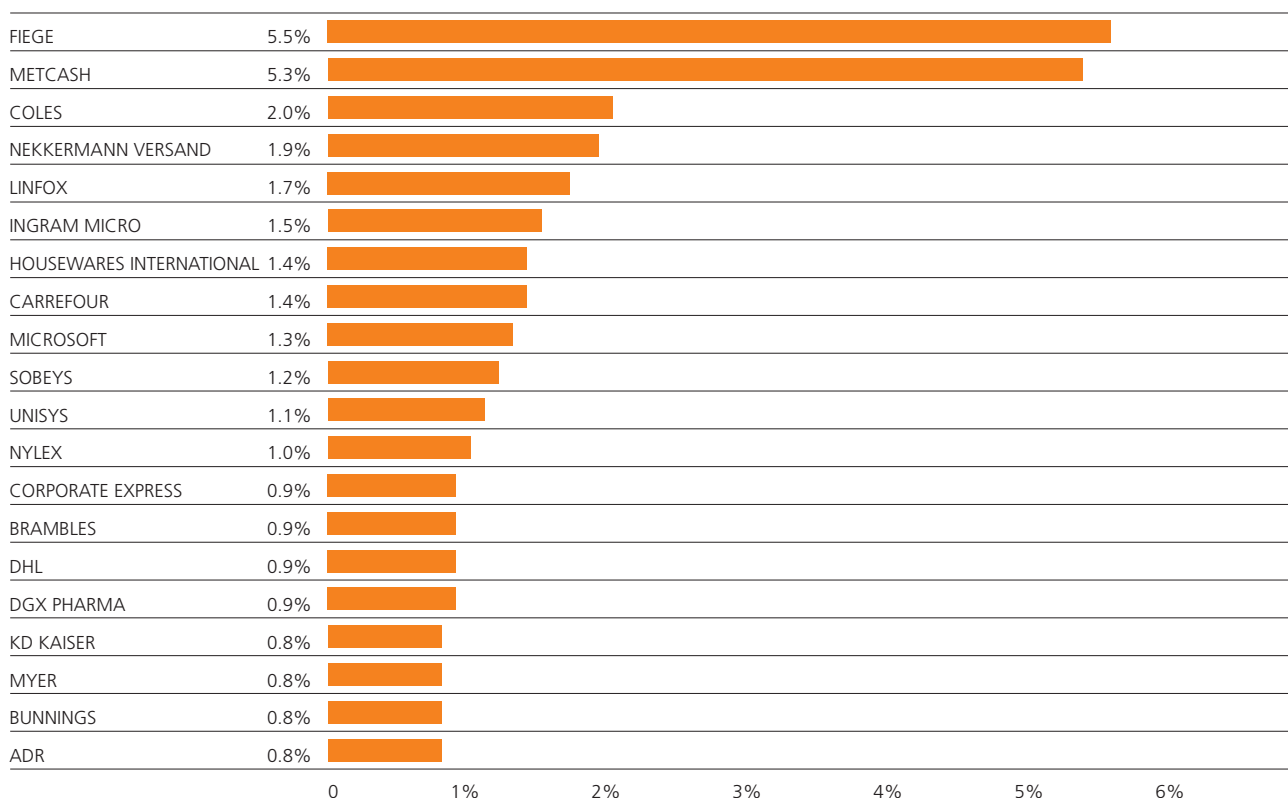
Canada



Europe

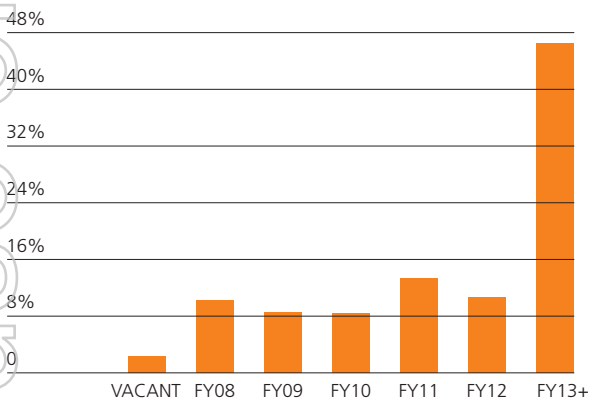


TOP 20 TENANTS BY INCOME

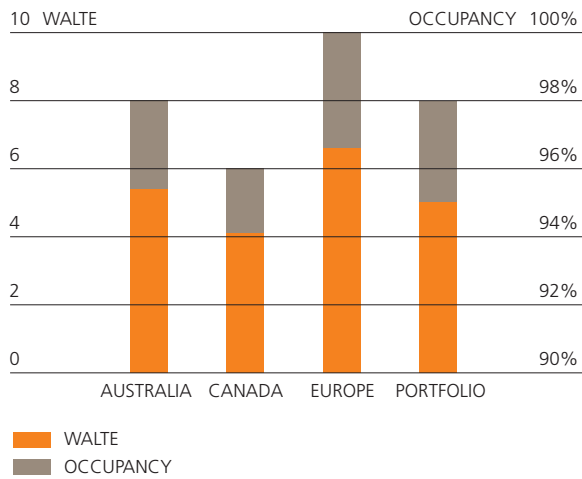


PROPERTY PORTFOLIO

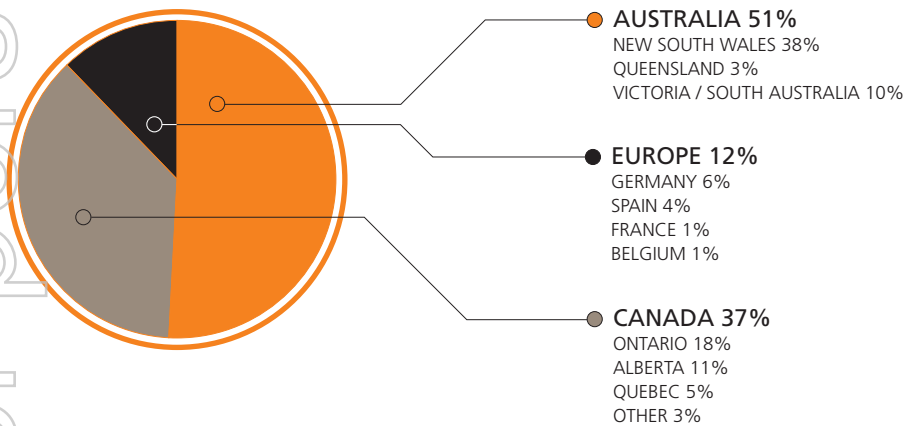
LEASE EXPIRY PROFILE BY INCOME



WEIGHTED LEASING TERM AND OCCUPANCY



GEOGRAPHIC DIVERSIFICATION (BY VALUE)



ING Industrial Fund is invested in a highly diversified portfolio of over 500 industrial properties across Australia, Canada and Western Europe. Below are the top ten properties by value, which make up over 20% of the Fund's total assets of \$5.6 billion.



PARKWEST INDUSTRIAL ESTATE
DERRIMUT, VICTORIA AUSTRALIA

CURRENT VALUE: A\$194.0M

Derrimut and Laverton North form the nucleus of Melbourne's West, a preferred location for a large number of warehousing and distribution users. Located only 13km west of Melbourne CBD, this growing area has superior road access with direct connections to the Western Ring Road, West Gate Freeway, and Princes Freeway.

This 54 hectare property is the Fund's premier estate in Victoria, comprising 15 high quality freestanding office/warehouse facilities located along a 1km private roadway with extensive frontage to the Western Ring Road. Occupiers include DHL/Exel, Fedex, John Deere and Fisher & Paykel, and upon completion of the last development project in late 2007, the estate will have a total lettable area of 200,500sqm.



PORTAIR INDUSTRIAL ESTATE
BOTANY, NEW SOUTH WALES AUSTRALIA

CURRENT VALUE: A\$158.8M

Botany occupies a key location near to both the Port of Botany and Sydney's Kingsford Smith International Airport, and is 11km south of Sydney CBD. Botany forms part of the South Sydney industrial precinct, Australia's most sought after industrial investment market.

This property is one of South Sydney's largest industrial estates, incorporating over 113,000sqm of warehouse space in ten separate warehouse buildings, along with some 13,000sqm of rentable container hardstand areas. The site also has the capacity to provide for an additional 6,000 to 8,000sqm of new development.

PROPERTY PORTFOLIO

For personal use only



ROSEHILL INDUSTRIAL ESTATE
ROSEHILL, NEW SOUTH WALES AUSTRALIA

CURRENT VALUE: A\$144.5M

Rosehill is an Inner West industrial suburb situated at the geographic centre of metropolitan Sydney, 3km east of Parramatta CBD and adjacent to the M4 Motorway corridor.

Developed by the Fund between 2003 and early 2007, this is one of the Fund's premier estates and was the inaugural winner of the Property Council of Australia Property Investment Award for Business and Industrial Parks in 2007. The estate comprises six freestanding buildings totalling 80,591sqm and includes an on site café. Occupiers include Bunnings, Ryobi, Miele and Linfox.



MOOREBANK BUSINESS PARK
MOOREBANK, NEW SOUTH WALES AUSTRALIA

CURRENT VALUE: A\$109.5M

Moorebank is an established industrial area situated on the M5 Motorway corridor, near its junction with the Westlink M7 Motorway. This locality appeals to a wide range of users, with superior road and passenger rail access to all parts of Sydney and the amenities of neighbouring Liverpool town centre. Port Botany is within 15km via the M5 Motorway.

This estate occupies a high profile position adjacent to the Moorebank interchange of the M5 Motorway. Acquired as a vacant 26 hectare site in 2003, the site now accommodates Criterion, Electrolux and Toyota Industries, with a new facility for BMW currently under construction and some 31,000sqm of development capacity remaining.



MILLENNIUM COURT INDUSTRIAL ESTATE
MATRAVILLE, NEW SOUTH WALES AUSTRALIA

CURRENT VALUE: A\$103.0M

Matrville forms the eastern extent of the South Sydney industrial precinct, and is immediately adjacent to Port Botany, 12km from Sydney CBD.

This 53,728sqm estate comprises three separate high clearance office/warehouse facilities with exclusive hardstand and truck circulation areas, accommodating Ingram Micro, DHL and TNT. All buildings are accessed via a private estate road.



PORT MELBOURNE INDUSTRIAL ESTATE
PORT MELBOURNE, VICTORIA AUSTRALIA

CURRENT VALUE: A\$102.0M

Port Melbourne is a rapidly changing locality, combining traditional industrial uses with newer business park space, offices and retail showroom uses. This precinct combines immediate access to Melbourne CBD (2km east) with excellent accessibility to the Citylink Motorway and West Gate Freeway.

This estate comprises 9 warehouse buildings in 11 separate tenancies totalling 96,525sqm. Housewares International and Brambles/Recall account for over 50% of the estate, with leases extending to 2015, 2017 and 2019.

PROPERTY PORTFOLIO

For personal use only



SOUTHGATE INDUSTRIAL PARK
BANKSMEADOW, NEW SOUTH WALES AUSTRALIA

CURRENT VALUE: A\$88.9M

Banksmeadow is strategically located adjacent to the Port of Botany and 11km south of Sydney CBD in the heart of the South Sydney industrial precinct, Australia's most sought after industrial investment market.

Southgate is a 9.6 hectare site with a 44,479sqm distribution facility completed in 2006 and leased for ten years to leading logistics provider Linfox. The property has the benefit of 24/7 operating capability and a dedicated B-double access road. The site can accommodate a further 8,500sqm facility, which is expected to be completed in late 2008.



BRIESELANG DISTRIBUTION CENTRE
BRIESELANG, GERMANY

CURRENT VALUE: A\$85.1M

Brieselang is an outer suburb of Berlin, 30km west of Berlin CBD and adjacent to the Autobahn A10 "Berliner Ring". This locality is ideal for logistics use, as the A10 circumnavigates Berlin and provides access to six other autobahns radiating from Berlin (A2, A24, A11, A12, A13 & A9) to all other parts of Germany.

The property is located within the Warenwirtschaftszentrum Havelland ("WWZ"), a dedicated logistics park. Constructed in 1999, this impressive modern distribution facility boasts high quality warehouse and office space totalling 66,154sqm, generous truck access, parking and container storage. Brieselang Distribution Centre includes additional land capable of accommodating a further 24,000sqm.



GREAT NORTHERN DISTRIBUTION CENTRE
QUER, MADRID SPAIN

CURRENT VALUE: A\$80.5M

Quer is situated in the Henares corridor, Madrid's most sought after industrial precinct, which forms a 40km long band centred on the A2 Motorway and extending northeast of Madrid from Madrid- Barajas International Airport to Guadalajara. The A2 is the primary road link between Madrid and Barcelona and on to the south of France, and is one of the most important truck routes in Spain.

Constructed in 2004, the property comprises a 67,441sqm logistics facility which serves as Carrefour's largest distribution warehouse in the Madrid region.



LAVERTON DISTRIBUTION CENTRE
LAVERTON, VICTORIA AUSTRALIA

CURRENT VALUE: A\$69.0M

Laverton North and Derrimut form the nucleus of Melbourne's West, a preferred location for a large number of warehousing and distribution users. Located only 13km west of Melbourne CBD, this growing area has superior road access with direct connections to the Western Ring Road, West Gate Freeway, and Princes Freeway.

Leased to Metcash until 2017, this 73,813sqm distribution complex comprises four interconnected warehouse buildings with a two storey office wing, plus two new warehouse buildings of 24,000sqm completed in May 2002, with generous heavy vehicle circulation and substantial car parking areas.

BOARD OF DIRECTORS

The Responsible Entity of ING Industrial Fund is ING Management Limited (IML), a wholly owned subsidiary of ING Real Estate in Australia. IML's primary responsibilities are to operate the Fund, oversee the management team, provide strategic advice and provide corporate governance through a board. Most importantly, the Responsible Entity must ensure it acts in the best interests of unitholders and ensure that the activities of the Fund are conducted in a proper and efficient manner. Currently the Board comprises five Independent Directors and one Non-executive Director.



RICHARD COLLESS AM
INDEPENDENT DIRECTOR
AND CHAIRMAN
APPOINTED 30 MAY 2002

Richard is the Chairman of the ING Management Limited Board. He has considerable experience in funds management and property sectors. He sits on a number of public and private boards.



DAVID BLIGHT
NON-EXECUTIVE DIRECTOR
APPOINTED 30 MAY 2002

David is the Vice Chairman of ING Real Estate and Chairman and CEO of ING Real Estate Investment Management, having previously held the position of Managing Director of ING Real Estate Investment Management Australia. David has direct responsibility for the ING Real Estate Investment Management's business across 21 countries. He is a member of the Management Council of ING Group and has been with the company since 1989. David is based in The Netherlands.



MICHAEL EASSON AM
INDEPENDENT DIRECTOR
APPOINTED 11 NOVEMBER 2004

Michael is co-founder and Executive Chairman of EG Property Group. Michael has a wealth of experience in high-level strategic consulting in both the private sector and government. Michael also sits on a number of public and private boards.



PHILIP CLARK AM

INDEPENDENT DIRECTOR,
CHAIRMAN OF THE AUDIT COMMITTEE
APPOINTED 21 FEBRUARY 2006



PAUL SCULLY

INDEPENDENT DIRECTOR, CHAIRMAN
OF THE BOARD COMPLIANCE
COMMITTEE APPOINTED 30 MAY 2002



PHILIP REDMOND

INDEPENDENT DIRECTOR
APPOINTED 17 AUGUST 2006

Acting most recently as Managing Partner and CEO of Minter Ellison, Philip has experience in the legal, professional services, investment banking, funds management, property, tourism, publishing, manufacturing, petroleum and education sectors. During his career Philip led the successful growth and development of Minter Ellison and Mallesons Stephen Jaques, Australia's two largest law firms. Philip also sits on a number of public and private boards.

Paul has over 30 years experience in many aspects of financial services. Paul now maintains a portfolio of non-executive directorships and undertakes various consulting assignments.

Philip has over 20 years experience in the real estate industry in Australia, including 12 years at UBS where he held the position of Managing Director – Head of Real Estate Australasia. Philip has played a leading role in the development of the listed property trust sector within Australia and has a comprehensive understanding of financial markets.

BOARD OF DIRECTORS



HUGH THOMSON

ALTERNATE DIRECTOR FOR
DAVID BLIGHT, COMPANY SECRETARY
APPOINTED 20 DECEMBER 2002



ADRIAN ASTRIDGE

ALTERNATE DIRECTOR
FOR DAVID BLIGHT
APPOINTED 2 JUNE 2006



ANNA CRAWFORD

COMPANY SECRETARY
APPOINTED 31 MAY 2002

Hugh is the Chief Executive Officer of ING Real Estate Investment Management Australia and is responsible for all property investment and funds management activities. Hugh has over 16 years experience and has been with ING Real Estate since 1997, having previously held the role of Chief Financial Officer.

Adrian is General Manager of Operations of ING Real Estate Investment Management Australia. With 20 years experience in the banking and finance industry in Australia and overseas, Adrian has been with ING Real Estate for the past seven years across a number of facets of the business.

Anna is the Legal Manager of ING Real Estate Investment Management Australia. Anna has been with ING Real Estate for over nine years and is responsible for all the legal and regulatory requirements including the maintenance of the legal and compliance framework, liaising with the Board on corporate governance matters and promoting and instilling a high level of compliance within the business.

This statement outlines the main corporate governance practices that are currently in place for ING Management Limited (IML), the Responsible Entity of the ING Industrial Fund (the "Fund") and addresses the recommendations of the ASX Corporate Governance Council and the extent of compliance with these recommendations. The Board of the Responsible Entity has followed all of the recommendations, except that it has not established a Nomination Committee or a Remuneration Committee, for the reasons set out in this Corporate Governance Statement.

ING INDUSTRIAL FUND & ITS CONSTITUTION

The corporate governance structure that has been established by the Responsible Entity reflects its role as the Responsible Entity of a listed property trust, which is different to the corporate governance structure adopted for a listed company. The Responsible Entity's primary responsibility is to operate the Fund and perform functions conferred on it by the Fund Constitution, ASX Listing Rules and Corporations Act 2001 (Cth) (the Law). Most importantly, the Responsible Entity must ensure it acts in the best interests of unitholders and ensure that the activities of the Fund are conducted in a proper and efficient manner.

The Fund is governed by a Constitution dated 19 February 1985 (as amended). The Fund has been registered with the Australian Securities and Investments Committee (ASIC) as a managed investment scheme under Chapter 5C of the Corporations Act.

The following is a summary of the key features of the Constitution of the Fund.

Responsible Entity

As the Responsible Entity of the Fund, IML is responsible to Unitholders for its operation and owes duties under Chapter 5C of the Corporations Act and also fiduciary duties as trustee of the Fund. IML may retire as the Responsible Entity of the Fund as permitted by law, and must retire when required by law.

Powers of the Responsible Entity

As the Responsible Entity, IML has all the powers in respect of the Fund that it is possible under the law to confer on a trustee and as though it were the absolute owner of the assets of the Fund and acting in its personal capacity. The Responsible Entity may authorise any person to act as its agent or delegate, to hold title to any asset of the Fund, perform any act or exercise any discretion within the Responsible Entity's power, including the power to appoint in turn its own agent or delegate. Subject to the Corporations Act, the agent or delegate may be an associate of the Responsible Entity.

Restrictions on borrowing and raising money

Subject to the Responsible Entity's duties under the Constitution and at law, and to the Listing Rules, the Responsible Entity has the power to borrow and to incur all types of liabilities and obligations. However, at no time may the liabilities of the Fund exceed 60% of its total tangible assets. The Responsible Entity may only borrow or raise moneys if, following the borrowing or raising of moneys, the total amount that is borrowed or raised by the Fund, and that is repayable more than 12 months after the date of the borrowing or raising, is not more than 50% of the gross asset value of the Fund as at that date.

Remuneration of the Responsible Entity

IML is entitled under the Constitution to receive fees for acting as the Responsible Entity of the Fund and to be paid or reimbursed for certain expenses, out of the gross income of the Fund, reasonably and properly incurred by the Responsible Entity in the proper performance of its duties in relation to the Fund. Certain fees are excluded from reimbursement under the Constitution.

Limitation on liability

If IML acts in good faith and without gross negligence it is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund.

The liability of the Responsible Entity to any person, other than a Unitholder in respect of the Fund, including any contracts entered into as trustee of the Fund or in relation to any assets of the Fund, is limited to the Responsible Entity's entitlement to be indemnified from the assets of the Fund.

IML is entitled to be indemnified out of the assets of the Fund for any liability incurred by IML in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by IML.

The indemnity is in addition to any indemnity allowed by law. It continues to apply after IML retires or is removed.

Termination of the Fund

The Fund terminates on the earliest of the:

- > date specified by the Responsible Entity in a notice given to Unitholders as the date on which the Fund is to be terminated; and
- > date on which the Fund is terminated in accordance with the Constitution or by law.

Beneficial interest in the Fund

The beneficial interest in the Fund is divided into units which may be fully or partly paid units.

Redemption

No units may be issued or redeemed after the 80th anniversary of the day the Fund commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity.

Distribution of income

The distributable income of the Fund is determined by the Responsible Entity and allocated to Unitholders in accordance with the Constitution.

Meeting of Unitholders

IML may at any time convene a meeting of Unitholders, and must do so if required by the Corporations Act.

Amendments

Subject to the Corporations Act, the Responsible Entity may by deed amend the Constitution.

COMPLIANCE PLAN & COMPLIANCE COMMITTEE

Under the Corporations Act, the Responsible Entity is required to register a Compliance Plan with ASIC. The Compliance Plan for the Fund describes the procedures that the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution.

A Board Compliance Committee has been established who will be responsible for monitoring IML's compliance with the Compliance Plan and report on its findings to the Board. Further details are provided in 7.2 below.

ROLE OF BOARD AND MANAGEMENT

1.1 Role of the Board

ING Management Limited (Company) is wholly owned by ING Real Estate. The Company has adopted a formal board charter which details the functions and responsibilities of the Board and Management. The Company's activities are confined almost exclusively to managing real estate based investment funds in its role as Responsible Entity.

ING Real Estate is responsible for providing the resources, including experienced and skilled staff to enable it to appropriately and adequately conduct its funds management operations and to administer its affairs.

The Board of the Company oversees these activities and provides strategic guidance.

Key responsibilities of the Company include:

- > Assisting ING Real Estate in determining the composition and structure of the Company's Board.
- > Reviewing the performance of Management, including the CEO and the adequacy of resources allocated by ING Real Estate to the Company.
- > Providing input into and final approval of Management's strategy and performance objectives for the Funds.
- > Reviewing and if appropriate approving significant transactions.
- > Overseeing the administration of the Company, including risk and compliance monitoring functions.
- > Reviewing the appropriateness of Management's risk management processes.
- > Reviewing the Company's Code of Conduct, Investor Communications procedures and Continuous Disclosure Policy annually.
- > Establishing various formal committees to assist in discharging its responsibilities, i.e. Compliance and Audit Committees.

1.2 Role of Management

Management is responsible for all matters not specifically the responsibility of the Board and is responsible for implementing the strategy and performance objectives of the Fund and the day to day operations of the Fund.

BOARD STRUCTURE

2.1 Structure of the Board

The Constitution of ING Management Limited provides for a minimum of three Directors and not more than 14 Directors. At the date of this report, the Board comprises five independent Directors and one non-executive Director.

Directors' appointment and selection

Directors are appointed by the Company's sole shareholder ING Real Estate, with the aim of ensuring the Board has:

- > an appropriate range of skills, experience and expertise;
- > a proper understanding of, and competence to deal with current and emerging issues in real estate and the funds management industry;
- > the ability to effectively review and challenge the performance of management and exercise independent judgement; and
- > a majority of independent directors.

The Board assists ING Real Estate in the process of appointing new Directors by recommending and reviewing candidates when vacancies arise and by performing an annual review that covers amongst other matters, the adequacy of the Board's composition and the independence of existing Directors.

Board meetings

The Board held 14 meetings during the year.

The agenda for each meeting is prepared by the Company Secretary in conjunction with the Chairman and Chief Executive Officer of ING Management Limited.

2.2 Director Independence

ING Management Limited Board consists of a majority of independent directors.

ING Management Limited has adopted the following procedures for assessing the independence of each Director; with the aim of ensuring that the majority of the ING Management Limited Board remains independent.

Test for Independence

The procedures in place for determining independence is whether the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

Materiality

ING Management Limited Board has determined that where an assessment of materiality is required to determine whether a Director is independent, this will be determined on a case by case basis taking into account all of the facts available at the time.

Annual Performance Reviews

The Board assesses Directors independence annually in conjunction with the Board's annual performance evaluation and a review of their register of interests and directorships.

Disclosure of Directors who are independent

Those Directors who are assessed to be independent are identified in the Corporate Governance section of the Annual Report. In the event, an existing Director is assessed to no longer be independent, ING Management Limited on behalf of the Fund will disclose this fact to the ASX as soon as practicable after the assessment has been made.

Independent decision making

Directors of the Board have individually and collectively the right to seek independent professional advice on matters relating to the Fund, including matters relating to the discharge of its obligations under a Fund's Constitution and the Law, the cost of which may be borne by the Company, or where permitted, the Fund.

Directors must notify the Company Secretary if they are seeking independent professional advice, and as soon as possible provide an estimate of the likely cost.

Conflicts of Interest

In the event a conflict or potential conflict situation exists, the conflicted Director is absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors, who do not have a material personal interest in the matter are satisfied that the interest should not disqualify the Director from voting or being present.

2.3 Role of the Chair

The role of the Chairman and CEO are not exercised by the same individual.

ING Real Estate has appointed an independent Chairman, Mr Richard Colless. In selecting the Chairman, due consideration has been given to their expertise and skills to ensure they complement those of the existing board as well as reputation and standing in the market.

2.4 Board Nomination and Remuneration Committee

Nomination Committee

The existing size of the Board and the frequency of Board meetings are such that the Board's role in assisting in the appointment process can be undertaken in an efficient manner by the Board itself, without the need for a separate Nomination Committee.

The Board assists ING Real Estate in the process of appointing new Directors by recommending and reviewing candidates when vacancies arise and by performing an annual review that covers amongst other matters, the adequacy of the Board's composition and the independence of existing Directors.

Directors are appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment to ensure they understand their key responsibilities and the Board's expectations. The tenure of each Director is determined by ING Real Estate, and for all Directors is until 31 December 2007.

Remuneration Committee

The fees of the Directors of the Company and the remuneration of staff are determined and paid by ING Real Estate, and not by the Fund itself. For this reason no Remuneration Committee has been established.

The remuneration of the Company in its capacity as Responsible Entity during the year was regulated by the Fund's Constitution. The Company has only a right to be paid a fee or reimbursed an expense from the Fund in relation to the proper performance of its duties.

The Board is responsible for reviewing the adequacy of the resources, including remuneration and incentive structures for key executives, and for making any recommendations to ING Real Estate it feels necessary.

Associates of the Company are entitled to fees for the provision of property management, and development and project management services to the Fund's properties. Formal arm's length agreements are in place to regulate these arrangements and these fees are based on normal commercial terms. The fees paid for these services are set out in the Financial Report of the Fund.

2.5 Board Education and Performance Evaluation

The Company undertakes a review of the Board's performance annually, covering amongst other matters, the adequacy of the Board's composition and the independence of existing Directors. The last performance evaluation was undertaken in November 2006.

The Board performance evaluation is conducted by way of a questionnaire that assesses:

- > the performance of the Board and each of its committees against the requirements of their respective charters;
- > the individual performance of the Chairman and each Director; and
- > the procedures in place for dealing with the RE's continuous disclosure obligations under the Corporations Act and ASX Listing Rules, as well as compliance and corporate governance procedures.

The questionnaire is completed by each Director and the responses collated. The results of the questionnaire are provided to all Directors for discussion at the Board meetings.

Board Education & Strategy Days

Directors have the opportunity to visit the Fund's properties and to meet with management to gain a better understanding of the Fund's operations. The Board also conducts Fund Strategy days to inform directors about current issues concerning the Fund and to discuss its strategies.

PROMOTING RESPONSIBLE AND ETHICAL BEHAVIOUR

3.1 Code of Conduct

ING Real Estate has established a Code of Conduct which outlines acceptable standards of behaviour and attitudes expected from staff to promote and maintain the confidence and trust of all those dealing with ING Real Estate. The Code of Conduct covers amongst other matters;

- > Insider trading
- > Personal conduct
- > Dealing with conflict of interests
- > Privacy
- > Environment

A copy of the Company's Code of Conduct is available on ING Real Estate's website.

3.2 Insider Trading and Trading in ING Real Estate Securities

A personal trading policy is in place setting out the approval procedures that are to be followed by all ING Real Estate staff members and Directors wishing to buy or sell securities in the Fund and other listed real estate securities in order to satisfy the relevant legal requirements and protect the reputation and integrity of ING Real Estate. At the commencement of employment each staff member within ING Real Estate must sign a declaration that he/she will abide by the Policy.

FINANCIAL REPORTING

4.1 Review and Authorisation

In accordance with section 295A of the Corporations Act, the CEO and CFO have declared in writing to the Board that the financial records of the Fund for the financial year have been properly maintained in accordance with section 286 of the Corporations Act and the Fund's financial reports present a true and fair view of the Fund's financial position and performance and are in accordance with relevant accounting standards.

4.2 Board Audit Committee

The purpose of the Board Audit Committee is to verify and safeguard the integrity of the Fund's financial reporting, oversee the independence of the external auditors and maintain the internal control framework.

The Committee consists of three members, all of which are non-executive directors, with an independent Chairperson, who is not the Chairperson of the Board.

At the date of this report the members of the Audit Committee were Philip Clark (Chairman), Richard Colless and Michael Easson. Four meetings were held during the year.

4.3 Audit Committee Charter

The Audit Committee operates under a Board approved Charter which is available in the corporate governance section of the Fund's website.

4.4 External Audit Firm Guidelines

The Board Audit Committee is responsible for recommending the appointment and removal of external auditors.

To maintain independence in the external audit function, the Audit Committee has adopted the policy of engaging separate external auditors for the Fund (Ernst & Young) and the Company (KPMG).

CONTINUOUS DISCLOSURE

5.1 Continuous Disclosure

As the Responsible Entity of listed funds, the Company must comply with the continuous disclosure provisions of the ASX Listing Rules.

Broadly, the Responsible Entity is required to immediately notify the ASX of any information concerning the Fund of which it is or becomes aware of, which a reasonable person would expect to have a material effect on the price or value of units in the Fund, subject to certain limited exceptions relating to confidential information.

The Responsible Entity has established a written policy document that deals with;

- > information that needs to be disclosed to the market
- > our responsibility for responding to market rumours or speculation
- > communications with analysts and major investors
- > procedures for dealing with the media

The Company Secretary of the Responsible Entity has been appointed as the person responsible for communications with the ASX. This person is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, unitholders, media and the public.

INVESTOR COMMUNICATIONS

6.1 Annual Unitholder Meetings

Annual Unitholder meetings are convened at least once a year at a time and place that is considered convenient for the majority of its investors. The Annual Unitholder Meeting is usually in October/November.

Unitholders receive a notice of meeting together with an Information/Explanatory Memorandum, which are worded and presented in a clear, concise and effective manner that accurately explains the nature of business to be discussed at the meeting.

The Fund posts a copy of the most recent notice of meeting and any accompanying explanatory memorandum on its website – when released to the ASX, under the ASX Announcements section.

The Chairman at the Annual Unitholder Meeting ensures a reasonable opportunity exists for unitholders to ask questions relating to the operations of the Fund and the resolutions being voted on.

Unitholders are encouraged to attend all unitholder meetings or if unable to attend then to vote on proposed motions by appointing a proxy.

Audit Attendance at Annual Unitholder Meetings

The Company Secretary will request the external auditor or a qualified representative of the auditor to attend the Annual Unitholder Meeting and be available to answer any investor questions about the conduct of the audit, the auditor's independence, accounting policies, and the preparation and content of the auditor's report.

6.2 Communication with Investors

The ASX Corporate Governance guidelines state that listed entities must respect the rights of unitholders and facilitate the effective exercise of those rights.

This means the listed entity should have procedures in place for communicating with its unitholders, give them access to balanced and understandable information about the listed entity and make it easy for them to participate in Annual Unitholder Meetings.

The Responsible Entity has adopted procedures to ensure that all unitholders and other interested stakeholders have access to balanced, understandable and timely information concerning the operations of the Funds.

The Company Secretary, in conjunction with the Investor Services Manager and Chief Executive Officer are primarily responsible for ensuring communications with investors are delivered in accordance with these procedures and the guidelines relating to continuous disclosure.

In addition to the formal requirements of half year and annual financial statements, the Responsible Entity aims to keep unitholders informed about new developments within the Fund by making copies of all ASX Announcements and presentations available on our website, circulating Fund Updates and encouraging participation of unitholders to attend the Annual Unitholder Meeting.

Further details on the Investor Services is provided on page 64 and on our website at www.ingrealestate.com.au/investment.

The website provides information specific to each Fund, as well as information relevant to existing or prospective investors.

This website is continuously updated and contains recent announcements, webcasts, presentations, past and current reports to unitholders and answers to frequently asked questions. Analyst and investor roadshow presentations released to ASX are included on the website.

The website also contains:

- > the corporate overview on ING Real Estate Investment Management Australia;
- > ING Management Limited's corporate governance policies;
- > profiles of Senior Management and ING Management Limited's Board; and
- > other relevant corporate information.

COMPLIANCE AND RISK MANAGEMENT PROCEDURES

7.1 Risk Management

The Board and Management recognise that having a well developed system in place for risk management is an integral part of good management practice. ING Real Estate actively promotes a culture of compliance and risk management awareness with the aim of ensuring all activities comply with laws, regulations, codes and in-house policies.

Management is responsible for implementing and assessing the effectiveness of risk management processes, and internal compliance control systems. An Operational & Risk Management Committee (ORMC) has been established, made up of key management executives, with the main objective of promoting and facilitating the development of effective risk management processes. The ORMC reports on its operation and findings to the Board Compliance Committee.

The Board has the role of reviewing annually the appropriateness of Management's risk management process, including management's procedures for monitoring the effectiveness of the risk management processes.

7.2 Board Compliance Committee

The Board places a strong emphasis on compliance and sustainability and has established a Compliance Committee that operates under an approved charter. The Board recognises that a sustainable future for its business depends upon the sustainability of the communities, economy and society in which it operates.

Under the managed investments regime, the Company is required to register a Compliance Plan with the Australian Securities and Investments Commission. The Compliance Plan outlines the measures which are to be applied by the Company to ensure compliance with the Corporations Act and the Fund's Constitution.

The Compliance Committee is responsible for:

- > monitoring the Company's compliance with the Compliance Plan and reporting on its findings to the Board; and
- > assessing at regular intervals whether the Fund's Compliance Plan is adequate to ensure compliance with the Law and the Fund's constitution, and to monitor the extent to which the Company complies with the Fund's Compliance Plan.

At the date of this report the members of the Compliance Committee comprises of Paul Scully (Chairman), Richard Colless and Hugh Thomson. Four meetings were held during the year. The Compliance Committee reports to the Board after each Compliance Committee meeting and otherwise as required.

SUSTAINABILITY

8.1 Board Sustainability Committee

The Board recognises that a sustainable future for its business depends upon the environmental sustainability of the communities, economy and society in which it operates. As such the Board has established a Board Sustainability Committee to address sustainability issues for the Funds.

At the date of this report the members of the Committee comprises of Paul Scully (Chairman), Richard Colless and Hugh Thomson. Two meetings were held during the year.

CORPORATE GOVERNANCE DOCUMENTS

In accordance with the ASX Corporate Governance Guidelines, the following documents are available in the corporate governance section of the Fund's website:

- > Board Charter
- > Board Compliance Charter
- > Board Audit Committee Charter
- > Code of Conduct
- > Investor Communications Procedures
- > ING Management Limited Company Constitution

FINANCIAL INFORMATION

YEAR ENDED 30 JUNE 2007

For personal use only

Directors' report	40
Auditors' independence declaration	43
Concise financial report:	
– Income statement	44
– Balance sheet	45
– Cash flow statement	46
– Statement of changes in unitholders' interest	47
– Discussion and analysis of financial statements	48
– Notes to the financial statements	
– Note 1 Basis of preparation	49
– Note 2 Basis of valuation of non-current assets	49
– Note 3 Distributions	50
– Note 4 Earnings per unit	51
– Note 5 Property investments	52
– Note 6 Segment information	56
– Note 7 Responsible Entity	57
– Note 8 Subsequent events	58
Independent audit report to the unitholders	59

RELATIONSHIP OF THE CONCISE FINANCIAL REPORT TO THE FULL FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Fund and its subsidiaries as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to unitholders on request, free of charge. Please call (02) 9033 1035 (from outside Australia: +61 2 9033 1035) and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report via the internet at our website: www.ingrealestate.com.au/investment.

DIRECTORS' REPORT

ING Management Limited, the Responsible Entity of the ING Industrial Fund (the "Fund"), presents its report together with the Fund's financial report for the year ended 30 June 2007 and the auditor's report thereon.

Directors

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

Richard Colless AM	Chairman
David Blight	
Philip Clark AM	
Michael Easson AM	
Philip Redmond	Appointed 17 August 2006
Paul Scully	
Hugh Thomson	Alternate director for David Blight
Adrian Astridge	Alternate director for David Blight

Except as noted, these persons were directors of the Responsible Entity during the whole of the financial year and up to the date of this report.

Principal activity

The principal activity of the Fund is investment in real estate. There was no significant change in the nature of the Fund's activities during the financial year.

Review and results of operations

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

	Consolidated	
	2007	2006
Net profit attributable to unitholders of the Fund (\$ million)	397.9	370.3
Distributable income (\$ million)	174.1	128.8
Distributions per unit (cents)	16.65	15.50
Earnings per unit – basic (cents)	39.9	44.7
Earnings per unit – diluted (cents)	39.1	44.7
Distributable income per unit (cents)	17.4	15.6

The Responsible Entity uses the Fund's distributable income as a guide to the level of distributions to be paid to unitholders. Distributable 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 properties and derivative financial instruments.

Distributable income for the financial year has been calculated as follows:

	Consolidated	
	2007 \$m	2006 \$m
Net profit for year attributable to unitholders	397.9	370.3
Adjusted for:		
– Lease revenue recognition	(8.8)	(3.0)
– Net foreign exchange (gain)/loss	(58.5)	8.1
– Gain on change in fair value of:		
– Investment properties	(129.9)	(242.5)
– Derivatives	(60.7)	(9.3)
– Deferred income tax expense	34.1	4.9
– Other	—	0.3
Distributable income	174.1	128.8

Distributable income for the 2007 financial year increased by 35% to \$174.1 million from \$128.8 million for the 2006 financial year. The increase is mainly due to the investment in Summit Real Estate Investment Trust and acquisition of eleven European properties.

Distributable income per unit before disposal of properties and investments for the 2007 financial year was up 11% to 16.7 cents, compared to 15.0 cents per unit previously. Distributable income including disposal of properties and investments increased 12% to 17.4 cents compared to 15.6 cents per unit in the prior year. This was primarily due to property acquisitions and funding through convertible loan securities and preference units.

The Fund has delivered distribution growth of 7.4% with distributions per unit of 16.65 cents for the financial year, compared with 15.50 cents in 2006.

Total assets increased by \$1,929.7 million or 68% to \$4,784.5 million over the year primarily due to the investment in Summit Real Estate Investment Trust. Asset revaluation increases and acquisitions contributed \$129.9 million and \$265.3 million respectively to the increase. The basis of the valuations is described in note 1 in the financial report.

Revaluations during the 2007 financial year added \$129.9 million (including share of associates' revaluations), increasing net asset value by 8.2% to \$2.25.

A total of \$497.9 million of new ordinary equity (after costs) was raised during the year. As a result, issued units increased by 230.7 million to 1,107.4 million.

Distributions

Details of distributions are given in note 3 in the financial report.

Significant changes in the state of affairs

In the opinion of the directors of the Responsible Entity, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Events subsequent to reporting date

On 28 June 2007, the Fund entered into a \$1.8 billion unsecured multi-currency revolving credit bridge facility with ANZ Banking Group Limited, Deutsche Bank AG and JP Morgan Chase Bank N.A. On 2 July 2007, the Fund drew on the new facility to refinance its secured notes and bank debt. Security previously held over property investments has been removed under the bridge facility.

There has not arisen in the interval between the end of the financial year and the date of this report any other matter or circumstance that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

DIRECTORS' REPORT

Likely developments

The Responsible Entity will continue to actively manage the existing portfolio. New acquisitions, including overseas acquisitions, will be considered on the relative value they may add to the Fund. Where appropriate the Fund may raise additional capital to fund new acquisitions. The Responsible Entity will continue to review the property portfolio and dispose of non-core assets.

Environmental regulation

The Fund's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnities

The Fund has not indemnified, nor paid any insurance premiums for, a person who is or has been an officer of the Responsible Entity or an auditor of the Fund.

Interests of directors of the Responsible Entity

Units in the Fund held by directors of the Responsible Entity as at 30 June 2007 were:

	Number of units
Paul Scully	20,327
Hugh Thomson (alternate director for David Blight)	215,000
Adrian Astridge (alternate director for David Blight)	10,000

The other directors of the Responsible Entity did not hold any units in the Fund at that date.

Other information

Fees paid to the Responsible Entity and its associates, and the number of units in the Fund held by the Responsible Entity and its associates as at the end of the financial year; are set out in note 7 in the financial report.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

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 in the financial report. Amounts in this report and in the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest thousand dollars.

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



HUGH THOMSON

Director

Sydney

19 September 2007

Auditor's Independence Declaration to the Directors of ING Management Limited as Responsible Entity for ING Industrial Fund

In relation to our audit of the financial report of ING Industrial Fund and its controlled entities for the financial year ended 30 June 2007, 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.



Ernst & Young



Douglas Bain
Partner

19 September 2007

INCOME STATEMENT

YEAR ENDED 30 JUNE 2007

	Consolidated	
	2007	2006
	\$m	\$m
Revenue		
Rental income	218.1	175.7
Other property income	29.3	23.5
Interest income	11.6	2.9
	259.0	202.1
Other income		
Net foreign exchange gain/(loss)	60.1	(7.7)
Gain on disposal of:		
– Investment properties	—	4.7
– Available-for-sale investments	2.5	—
Gain on change in fair value of:		
– Investment properties	129.9	242.5
– Derivatives	60.7	9.3
Other	0.6	—
Expenses		
Property expenses	(40.9)	(28.3)
Finance costs	(74.2)	(31.8)
Responsible Entity's fees	(7.0)	(13.1)
Other	(2.7)	(1.0)
Share of associates' net profit/(loss)	48.9	(0.1)
Profit before income tax	436.9	376.6
Income tax expense	(35.0)	(6.3)
Net profit for the year	401.9	370.3
Net profit attributable to preference unitholders	(4.0)	—
Net profit attributable to unitholders of the Fund	397.9	370.3
	Cents	Cents
Distributions per unit (note 3)	16.65	15.50
Earnings per unit – basic (note 4)	39.9	44.7
Earnings per unit – diluted (note 4)	39.1	44.7
Distributable income per unit (note 4)	17.4	15.6

BALANCE SHEET

AS AT 30 JUNE 2007

For personal use only

	Consolidated	
	2007	2006
	\$m	\$m
Current assets		
Cash and cash equivalents	25.1	27.1
Trade and other receivables	43.9	38.5
Derivatives	68.9	12.7
	137.9	78.3
Non-current assets		
Trade and other receivables	96.8	58.3
Investment properties	3,028.3	2,479.7
Properties under construction	241.3	229.0
Investments in associates	1,273.9	2.7
Deferred tax assets	2.7	—
Other	3.6	6.8
	4,646.6	2,776.5
Total assets	4,784.5	2,854.8
Current liabilities		
Payables	57.0	58.6
Borrowings	25.8	—
Derivatives	12.1	4.9
Provision for distribution	48.2	34.2
	143.1	97.7
Non-current liabilities		
Payables	2.2	0.9
Borrowings	1,704.1	917.5
Deferred tax liabilities	71.4	14.0
	1,777.7	932.4
Total liabilities	1,920.8	1,030.1
Net assets	2,863.7	1,824.7
Unitholders' interest		
Issued units (ordinary)	1,818.9	1,321.0
Reserves	(59.1)	7.4
Retained earnings	727.1	496.3
Parent equity	2,486.9	1,824.7
Preference units	376.8	—
Total unitholders' interest	2,863.7	1,824.7
Net asset value per unit	\$2.25	\$2.08

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2007

	Consolidated	
	2007	2006
	\$m	\$m
Cash flows from operating activities		
Rental and other income	253.3	204.5
Property and other expenses	(60.4)	(42.1)
Proceeds on termination of derivatives	21.6	—
Interest received	4.9	2.6
Borrowing costs paid	(81.0)	(41.1)
Goods and services taxes and value added tax paid from investing and financing activities	(27.0)	(27.7)
	111.4	96.2
Cash flows from investing activities		
Purchase of and additions to investment properties and properties under construction	(397.5)	(506.8)
Acquisition of equities	(39.3)	(3.5)
Proceeds from sale of investment properties	—	42.5
Proceeds from sale of equities	45.3	—
Investment in subsidiaries	(10.0)	(19.4)
Investment in associates	(1,256.7)	(1.9)
Loans to associates	(6.0)	(11.1)
Other loans made	(38.1)	(31.2)
	(1,702.3)	(531.4)
Cash flows from financing activities		
Proceeds from issue of ordinary units	466.3	187.4
Ordinary unit issue costs	(11.1)	(3.1)
Proceeds from issue of preference units and options	400.0	—
Preference unit issue costs	(0.2)	—
Distributions to ordinary unitholders	(110.4)	(90.5)
Distributions on preference units	(4.0)	—
Proceeds from borrowings	1,166.8	817.4
Repayment of borrowings	(317.4)	(451.5)
	1,590.0	459.7
Net increase/(decrease) in cash	(0.9)	24.5
Cash at the beginning of the year	27.1	1.3
Effects of exchange rate changes on cash	(1.1)	1.3
Cash at the end of the year	25.1	27.1

STATEMENT OF CHANGES IN UNITHOLDERS' INTEREST

YEAR ENDED 30 JUNE 2007

	Consolidated	
	2007	2006
	\$m	\$m
Total unitholders' interest at the beginning of the year	1,824.7	1,359.9
Adjustment on adoption of financial instruments accounting standards AASB 132 and AASB 139	—	(1.5)
Restated unitholders' interest at the beginning of the year	1,824.7	1,358.4
Net gain on cash flow hedge of associate	2.9	—
Exchange differences on translation of foreign operations	(69.4)	7.4
Net income recognised directly in unitholders' interest	(66.5)	7.4
Profit for the year	401.9	370.3
Total recognised income and expense for the year	335.4	377.7
Transactions with unitholders in their capacity as equity holders:		
– Issue of ordinary units	499.7	218.6
– Issue of preference units	376.8	—
– Distributions paid or payable	(172.9)	(130.0)
	703.6	88.6
Total unitholders' interest at the end of the year	2,863.7	1,824.7
Total recognised income and expense for the year is attributable to:		
– Unitholders of the parent	331.4	377.7
– Preference units	4.0	—
	335.4	377.7

For personal use only

DISCUSSION AND ANALYSIS

OF THE FINANCIAL STATEMENTS

1 INCOME STATEMENT

Net profit increased from \$370.3 million for the 2006 financial year to \$397.9 million for the 2007 financial year, whilst distributable income increased from \$128.8 million to \$174.1 million. This increase is mainly due to the investment in Summit Real Estate Investment Trust and acquisition of eleven European properties.

Fair value adjustments to the carrying amount of investment properties contributed \$129.9 million to net profit, compared to \$242.5 million the previous financial year. Gains on derivative financial instruments amounted to \$60.7 million for the current financial year, compared to \$9.3 million the previous financial year.

Distributable income per unit for the 2007 financial year was 17.4 cents, compared to 15.6 cents for the previous financial year. Distributable income per unit before disposal of properties and investments for the 2007 financial year was 16.7 cents compared to 15.0 cents previously.

The Fund has delivered distribution growth of 7.4% with distributions of 16.65 cents per unit for the financial year, against 15.50 cents per unit previously.

2 BALANCE SHEET

Total assets increased from \$2,854.8 million at 30 June 2006 to \$4,784.5 million at 30 June 2007 primarily due to the investment in Summit Real Estate Investment Trust.

This increase in assets was funded by issues of new ordinary units amounting to \$499.7 million, the issue of preference shares amounting to \$388.8 million and by an increase in borrowings from \$917.5 million to \$1,729.9 million.

Revaluations during the 2007 financial year added \$129.9 million (including share of associates' revaluations) to total assets, increasing net asset value per unit by 8.2% to \$2.25.

3 CASH FLOW STATEMENT

The net expenditure of \$407.5 million on purchases, sales and additions to investment properties subsidiaries and \$1,256.7 million on investments in associates during the financial year was funded by cash flows from financing activities of \$1,590.0 million, reflecting the proceeds of issues of units and borrowings, and operating cash flow of \$111.4 million.

4 STATEMENT OF CHANGES IN UNITHOLDERS' INTEREST

Total equity increased from \$1,824.7 million at the beginning of the financial year to \$2,863.7 million at the end of the year. This included \$376.8 million from the issue of new preference units, the issue of \$499.7 million ordinary units and an increase in retained earnings of \$229.0 million. The increase in retained earnings was almost entirely due to unrealised gains and losses resulting from the application of Australian equivalents to International Financial Reporting Standards. Retained distributable income increased from \$5.5 million to \$12.5 million.

NOTE 1: BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1039 *Concise Financial Reports* and applicable Australian Interpretations. The financial statements and specific disclosures required by AASB 1039 have been derived from the Fund's full financial report for the financial year. Other information included in the concise financial report is consistent with the Fund's full financial report. The concise financial report does not provide, and cannot be expected to provide, as full an understanding of the financial performance, financial position and financing and investing activities of the Fund as the full financial report.

The financial reports are prepared on the historical cost basis except that investment properties and derivative financial instruments are stated at their fair value. These accounting policies have been consistently applied to all years presented. A full description of the accounting policies adopted by the Fund may be found in its full financial report in note 1.

The concise financial report is presented in Australian dollars.

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 financial reports. Amounts in the concise financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest thousand dollars.

NOTE 2: BASIS OF VALUATION OF NON-CURRENT ASSETS

a) Investment property

Land and buildings have the function of an investment and are regarded as composite assets. In accordance with applicable accounting standards, the buildings, including plant & equipment, are not depreciated.

It is the Fund's policy to have all investment properties externally valued at intervals of not more than three years and that such valuation be reflected in the financial reports of the Fund. It is the policy of the Responsible Entity to review the fair value of each investment property every six months and to cause investment properties to be revalued to fair values whenever their carrying value in aggregate differs materially to their fair values.

In determining fair values, expected net cash flows are discounted to their present value using a market determined risk adjusted discount rate. The assessment of fair value of investment properties does not take into account potential capital gains tax assessable. Changes in the fair value of an investment property are recorded in the income statement.

All property interests held under operating leases are classified and accounted for as investment property.

b) Property under construction

Property under construction is carried at historical cost. Cost includes the cost of acquisition and additions and, during development, includes financing charges, related professional fees incurred and other directly attributable costs.

Property under construction is transferred to investment property on completion of the construction. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

c) Investments in associates

Associates are those entities which the Fund has significant influence, but not control. Investments in associates are accounted for using the equity method. The share of the associates' net profit is recognised in the income statement and the share in movement in reserves is recognised in reserves in the balance sheet. The accumulation of post-acquisition movements in the Fund's share of net assets of the associate is adjusted against the carrying value of the investment. Distributions from associates reduce the carrying value of the investment in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated	
	2007	2006
	Cents	Cents

NOTE 3: DISTRIBUTIONS

a) Rates and amounts of distributions

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	3.95	3.80
- Quarter ended 31 December	4.00	3.90
- Quarter ended 31 March	4.35	3.90
- Quarter ended 30 June	4.35	3.90
	16.65	15.50

	\$m	\$m
The total amounts of these distributions were:		
- Quarter ended 30 September	36.5	31.2
- Quarter ended 31 December	37.2	32.2
- Quarter ended 31 March	47.0	32.4
- Quarter ended 30 June	48.2	34.2
	168.9	130.0
Distributions on preference units	4.0	—
Total distributions paid or payable	172.9	130.0

b) Income that is distributable to ordinary unitholders

Distributable income is calculated as follows:

Net profit for year attributable to unitholders	397.9	370.3
Adjusted for:		
- Lease revenue recognition	(8.8)	(3.0)
- Net foreign exchange (gain)/loss	(58.5)	8.1
- Gain on change in fair value of:		
- Investment properties	(129.9)	(242.5)
- Derivatives	(60.7)	(9.3)
- Deferred income tax expense	34.1	4.9
- Other	—	0.3
Distributable income	174.1	128.8
Transfer from issued units	1.8	1.3
Distributable income brought forward	5.5	5.4
Distributions paid or payable	(168.9)	(130.0)
Distributable income carried forward	12.5	5.5

	Consolidated	
	2007	2006
	\$m	\$m

NOTE 3: DISTRIBUTIONS (CONTINUED)

c) Income that is distributable to ordinary unitholders before disposal of property and investments

Distributable income	174.1	128.8
Adjusted for:		
– Gain on disposal of investment properties	—	(4.7)
– Gain on disposal of available-for-sale financial assets by:		
– Group	(2.5)	—
– Associate	(5.1)	—
Distributable income before disposal of property and investments	166.5	124.1

- i) The transfer from issued units 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.
- ii) The distribution for the quarter ended 30 June 2006 was recognised in the 2006 financial year and paid on 17 August 2006. The distribution for the quarter ended 30 June 2007 was recognised in the 2007 financial year and was paid on 31 August 2007.

	Consolidated	
	2007	2006

NOTE 4: EARNINGS PER UNIT

Distributable income – \$m	174.1	128.8
Distributable income before disposal of property and investments -\$m	166.5	124.1
Profit attributable to unitholders – \$m	397.9	370.3
Profit attributable to unitholders adjusted for interest on convertible loan securities – \$m	403.2	370.3
Weighted average number of ordinary units outstanding – millions	998.4	828.0
Weighted average number of ordinary and dilutive potential ordinary units outstanding – millions	1,030.5	828.0
Distributable income per unit – cents	17.4	15.6
Distributable income before disposal of property and investments per unit – cents	16.7	15.0
Basic earnings per unit – cents	39.9	44.7
Diluted earnings per unit – cents	39.1	44.7

The dilutive potential ordinary units were convertible loan securities from date of issue to conversion on 29 December 2006.

NOTES TO THE FINANCIAL STATEMENTS

Property	Cost to date	Latest external valuation		Carrying amount	
	\$m	Date	Valuation \$m	2007 \$m	2006 \$m

NOTE 5: PROPERTY INVESTMENTS

Investment property

Parent – non-current

Foothills Distribution Centre, Arndell Park NSW	8.4	10 May 07	7.9	8.4	—
Braeside Distribution Centre North, Braeside Vic	30.5	1 Nov 05	28.8	30.5	30.0
Euston Business Centre, Alexandria NSW	12.0	1 Dec 06	11.7	12.0	—
Great Western Business Centre, Arndell Park NSW	18.3	14 Apr 05	17.2	18.6	18.2
Heritage Business Centre, Mascot NSW	34.3	31 Dec 06	34.5	34.6	33.5
Huntingwood Business Centre, Huntingwood NSW	43.8	31 Dec 06	41.5	41.5	42.0
Huntley Business Park, Alexandria NSW	23.0	31 Dec 06	23.0	22.9	22.4
Lidcombe Distribution Centre, Lidcombe NSW	16.3	30 Jun 05	18.4	20.8	20.0
Moorebank Distribution Centre, Moorebank NSW	17.7	30 Jun 06	31.0	30.6	31.0
Port Melbourne Industrial Estate, Port Melbourne Vic	49.7	30 Jun 06	102.0	102.0	102.0
Richlands Distribution Centre, Richlands Qld	10.6	31 Dec 06	12.9	13.8	8.5
Somersby Distribution Centre, Somersby NSW	14.3	30 Jun 07	13.8	13.8	14.5
The Park, North Ryde NSW	43.4	30 Jun 05	37.0	50.1	41.6
Westland Industrial Estate, Erskine Park NSW	22.8	30 Jun 07	22.8	22.8	1.2
Seaford Industrial Estate, Seaford Vic	12.1	21 Mar 06	11.3	12.1	—
	357.2		413.8	434.5	364.9

Property	Cost to date	Latest external valuation		Carrying amount	
	\$m	Date	Valuation \$m	2007 \$m	2006 \$m

NOTE 5: PROPERTY INVESTMENTS (CONTINUED)

Subsidiaries – non-current

19 – 33 Kent Rd, Mascot NSW	15.2	31 Dec 04	17.0	20.7	21.5
Acacia Park, Acacia Ridge Qld	8.0	31 Dec 06	17.4	17.4	16.3
Airlink Business Park, Mascot NSW	22.9	30 Jun 05	20.5	22.5	22.0
BD Campus, North Ryde NSW	13.9	31 Dec 06	21.1	21.2	20.2
Blacktown Distribution Centre, Blacktown NSW	30.9	30 Jun 05	35.0	40.5	38.0
Braeside Distribution Centre South, Braeside Vic	23.6	30 Jun 07	20.4	20.4	23.0
Campbelltown Distribution Centre, Campbelltown NSW	14.2	31 Dec 04	15.5	18.0	17.8
Catalyst Business Park, North Ryde NSW	59.1	30 Jun 06	58.3	60.2	58.3
Chatswood Business Park, Chatswood NSW	14.1	31 Dec 05	25.0	27.5	26.5
Chullora Industrial Estate, Chullora NSW	23.1	30 Jun 06	25.5	25.0	25.5
City Views Business Park, North Ryde NSW	19.7	30 Jun 06	23.0	23.2	23.0
Discovery Business Park, Banksmeadow NSW	11.4	30 Jun 05	10.7	12.2	12.1
Dockside Business Park, Port Melbourne Vic	37.2	30 Jun 07	54.5	54.5	50.0
Everglade Campus, North Ryde NSW	36.3	31 Dec 05	44.2	47.9	46.0
Forest Lake Distribution Centre, Forest Lake Qld	34.9	30 Jun 06	52.0	56.7	52.0
Global Business Park, North Ryde NSW	26.2	30 Jun 05	16.3	24.0	18.4
Green Central, Rosebery NSW	38.3	31 Dec 05	44.2	46.3	46.2
Green Square Business Park, Alexandria NSW	12.7	30 Jun 07	19.4	19.4	19.5
Greenhills Industrial Estate, Moorebank NSW	9.3	30 Jun 07	14.4	14.4	13.1
Harcourt Business Park, Rosebery NSW	19.7	31 Dec 06	33.3	33.5	32.5
Ingleburn Industrial Estate, Ingleburn NSW	16.2	31 Dec 05	21.2	24.0	22.7
Kings Business Park, Kings Park NSW	13.6	30 Jun 06	16.5	16.8	16.5
Kingsford Smith Corporate Park, Eagle Farm Qld	11.6	30 Jun 07	18.0	18.0	15.7
Knoxfield Distribution Centre, Knoxfield Vic	25.1	30 Jun 07	23.0	23.0	23.0
Laverton Distribution Centre, Laverton Vic	37.0	30 Jun 07	69.0	69.0	62.5
Loganlea Distribution Centre, Loganlea Qld	25.4	30 Jun 06	31.5	32.5	31.5
Microsoft Campus, North Ryde NSW	42.3	30 Jun 06	63.5	64.3	63.5
Millennium Court Industrial Estate, Matraville NSW	60.0	30 Jun 07	103.0	103.0	100.0
Minto Distribution Centre, Minto NSW	10.0	31 Dec 04	10.3	12.8	12.7
Moorebank Business Park, Moorebank NSW ⁱⁱ	99.0	31 Dec 06	109.5	109.5	—
Newington Business Park, Newington NSW	41.3	31 Dec 06	53.0	53.1	52.8
Newington Distribution Centre, Silverwater NSW	34.5	30 Jun 06	51.5	51.8	51.5
Northpoint Business Park, Baulkham Hills NSW	12.2	30 Jun 06	19.0	19.3	19.0

NOTES TO THE FINANCIAL STATEMENTS

Property	Cost to date	Latest external valuation		Carrying amount	
	\$m	Date	Valuation \$m	2007 \$m	2006 \$m

NOTE 5: PROPERTY INVESTMENTS (CONTINUED)

Subsidiaries – non-current

Parkwest Industrial Estate, Ardeer Vic	131.1	30 Jun 07	194.0	194.0	168.0
PortAir Industrial Estate, Botany NSW	94.3	31 Dec 06	159.0	158.8	155.5
Riverwood Business Park, Riverwood NSW	49.2	31 Dec 06	58.3	58.8	58.0
Rosehill Industrial Estate, Rosehill NSW	111.1	30 Jun 07	144.5	144.5	127.0
Seven Hills Industrial Estate, Seven Hills NSW	12.6	30 Jun 07	22.5	22.5	19.5
Skyline Business Park, Frenchs Forest NSW	11.5	30 Jun 05	11.8	12.5	12.5
Southgate Industrial Park, Banksmeadow NSW	70.6	30 Jun 07	88.9	88.9	82.7
TransLink Logistics Park, Banksmeadow NSW	22.9	31 Dec 05	38.8	43.5	41.5
Unisys Campus, Rhodes Corporate Park, Rhodes NSW	41.9	31 Dec 05	50.6	61.0	52.0
Villawood Industrial Estate, Villawood NSW	17.1	30 Jun 06	21.5	21.0	21.5
Wingfield Distribution Centre, Wingfield SA	8.7	30 Jun 06	11.3	11.5	11.3
Puurs Distribution Centre, Puurs Belgium	48.8	30 Jun 07	48.2	48.2	—
Bautzner Distribution Centre, Leipzig Germany	3.9	1 Feb 06	4.1	3.9	—
Brieselang Distribution Centre, Brieselang Germany	74.8	30 Jun 07	85.1	85.1	91.8
Burstadt Distribution Centre, Burstadt Germany	12.8	1 Feb 06	13.9	12.8	—
Erfurt PDLZ Distribution Centre, Erfurt Germany	27.0	30 Jun 07	30.8	30.8	33.1
Groß Machnow Distribution Centre, Groß Machnow Germany	29.3	30 Jun 07	39.7	39.7	—
Großbeeren Distribution Centre, Großbeeren Germany	22.4	30 Jun 07	27.6	27.6	—
Huchting Distribution Centre, Bremen Germany	16.9	30 Jun 07	9.1	9.1	9.5
Lahr Distribution Centre, Lahr Germany	39.3	30 Jun 07	45.0	45.0	—
Port Bremen East Distribution Centre, Bremen Germany	40.6	30 Jun 07	45.0	45.0	47.7
Port Bremen West Distribution Centre, Bremen Germany	8.6	30 Jun 07	22.0	22.0	—
Sehnde Distribution Centre, Hannover-Sehnde, Germany	12.8	30 Jun 07	14.5	14.5	—
Les Tulipes Distribution Centre, Gonesse (Paris), France	44.4	6 Feb 06	42.4	44.1	47.4
Daganzo II Industrial Estate, Daganzo (Madrid), Spain	31.4	30 Jun 06	31.5	31.4	—
Great Northern Distribution Centre, Quer (Madrid) Spain	76.5	30 Jun 07	80.5	80.5	82.5
Quer II Distribution Centre, Quer (Madrid) Spain	25.0	30 Jun 06	24.6	25.0	—
Valdemoro Distribution Centre, Valdemoro Spain	9.5	30 Jun 06	9.6	9.5	—
	1,993.9		2,531.5	2,593.8	2,114.8
Total investment property	2,351.1		2,945.3	3,028.3	2,479.7

Property	Cost to date	Latest external valuation		Carrying amount	
	\$m	Date	Valuation \$m	2007 \$m	2006 \$m

NOTE 5: PROPERTY INVESTMENTS (CONTINUED)

Property under construction

Subsidiaries – non-current

Grand Industry Park, Granville NSW ⁱ	9.8	31 Dec 02	9.0	9.8	9.6
Interchange Park, Eastern Creek NSW ⁱ	126.2	31 Jan 04	52.8	126.2	77.1
Keylink Industrial Centre North, Minto NSW ⁱ	17.8	31 Jan 03	11.4	17.8	17.8
Keylink Industrial Centre South, Minto NSW ⁱ	17.8	30 Jun 02	14.3	17.8	17.3
Moorebank Business Park, Moorebank NSW ⁱⁱ	—	—	—	—	60.6
Westpark Industrial Estate, Erskine Park ⁱ	69.7	10 Mar 05	37.0	69.7	46.6
Total property under construction	241.3		124.5	241.3	229.0
Total all property investments	2,592.4		3,069.8	3,269.6	2,708.7

- i) These properties are currently being developed. The external valuations shown are for land value.
- ii) Development of this property was substantially completed during the year. The property is now included in investment properties.
- iii) 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 accounting policy detailed at note 2(a). Properties acquired during the period are held at cost, which is reflective of the estimate of fair value.
- iv) Valuations made in a foreign currency have been converted at the rate of exchange ruling at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated	
	2007	2006
	\$m	\$m

NOTE 6: SEGMENT INFORMATION

Primary reporting segment – geographical segments

The Fund has investments in industrial properties located in Australia, Canada and Europe.

Segment revenue:

– Australia	208.8	188.5
– Europe	38.6	10.7
Total segment revenue	247.4	199.2
Interest income	11.6	2.9
Total consolidated revenue	259.0	202.1

Segment result:

– Australia	277.7	394.6
– Canada	0.6	—
– Europe	61.2	24.2
Total segment result	339.5	418.8

Share of associates' net profit:

– Australia	1.5	(0.1)
– Canada	47.4	—
Total share of associates' net profit	48.9	(0.1)

Interest income

Gain on change in fair value of derivatives	60.7	9.3
Finance costs	(74.2)	(31.8)
Net foreign exchange gain/(loss)	60.1	(7.7)
Other unallocated expenses	(9.7)	(14.8)

Profit before income tax **436.9** **376.6**

Segment assets:

– Australia	2,837.5	2,497.1
– Canada	1,268.9	—
– Europe	653.0	330.6
– Unallocated	25.1	27.1
Consolidated assets	4,784.5	2,854.8

Segment liabilities:

– Australia	139.8	93.3
– Europe	51.1	19.3
– Unallocated	1,729.9	917.5

Consolidated liabilities **1,920.8** **1,030.1**

NOTE 7: RESPONSIBLE ENTITY

a) Identity

The Responsible Entity of the Fund is ING Management Limited, a member of the ING group of companies for which the ultimate holding company is ING Groep NV, a company incorporated in the Netherlands.

	Consolidated	
	2007	2006
	\$'000	\$'000

b) Fees of the Responsible Entity and its related parties

Payable to ING Management Limited:		
– Responsible Entity fees	7,069	13,059
Payable to associates in Australia:		
– Property management and leasing ¹	525	431
– Project and development management	2,374	2,439
Payable to associates overseas:		
– Asset and legal entity management	8,114	748
– Property management and leasing ¹	4,913	—
– Project and development management	1,502	—
– Acquisitions and due diligence	8,256	2,708
	32,753	19,385

1) A significant proportion of the property management fees are recovered from the Fund's tenants.

ING Management Limited receives a fee as Responsible Entity based on the lower of 0.675% per annum on the total assets of the Fund and 9% of the Fund's distributable income, calculated paid quarterly. For the year ended 30 June 2007, the fee has been reduced by an amount equal to 50% (being the Fund's equity interest) of the asset management fee paid by the Fund's associates, ING Summit Industrial Fund LP, ING Retail Fund LP and ING Real Estate Canada Trust in relation to the property portfolio of Summit REIT at the time of its acquisition.

The Fund engages associates of ING Management Limited both in Australia and overseas to provide a variety of services, including property and asset management, leasing, sourcing of acquisitions and due diligence, project and development management, financing and legal, accounting and administrative services. These fees are based on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RESPONSIBLE ENTITY (CONTINUED)

c) Holdings of the Responsible Entity and its related parties

Holdings of the Responsible Entity and its related parties (including managed investment schemes for which a related party is the Responsible Entity) as at reporting date were:

	Number of units held	
	2007 000s	2006 000s
ANZ Managed Investments Limited	1,187	5,172
ING Investment Management Limited	108	278
ING Life Limited	1,390	27,377
ING Management Limited	3,592	1,209
ING Property Securities Fund	912	7,006
ING Real Estate Income Fund	2,424	2,576
ING Real Estate International Investments III BV	150,710	109,341
ING Tax Effective Income Fund	985	5,417
	161,308	158,376

d) Other transactions with the Responsible Entity and its related parties

The Fund has borrowings at reporting date totalling \$213.2 million (2006: \$169.6 million) from ING Real Estate Finance Espana, E.F.C. SA and ING Real Estate Finance N.V. ("INGREF"), all wholly owned subsidiaries of ING.

The borrowings are denominated in Euros and are repayable as follows:

	Consolidated	
	2007 \$m	2006 \$m
Within one year	21.9	—
Later than five years	191.3	169.6
	213.2	169.6

Interest expense on the borrowings for the financial year was \$9.0 million (2006: \$2.9 million). The average interest rate was 5.0% and the debt is secured by investment property with a carrying value of \$316.5 million (2006: \$264.6 million).

In addition, the Fund has entered into an interest rate swap with INGREF, which had a positive fair value at reporting date of \$7.0 million (2006: \$3.5 million).

NOTE 8: SUBSEQUENT EVENTS

On 28 June 2007, the Fund entered into a \$1.8 billion unsecured multi-currency revolving credit bridge facility with ANZ Banking Group Limited, Deutsche Bank AG and JP Morgan Chase Bank N.A. On 2 July 2007, the Fund drew on the new facility to refinance its secured notes and bank debt. Security previously held over property investments has been removed under the bridge facility.

Independent auditor's report to the unitholders of ING Industrial Fund

Report on the Concise Financial Report

The accompanying concise financial report of ING Industrial Fund comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of ING Industrial Fund for the year ended 30 June 2007. The concise financial report also includes discussion and analysis and the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of ING Industrial Fund for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 19 September 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039

Concise Financial Reports.

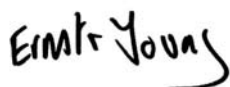
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the concise financial report, including the discussion and analysis and the directors' declaration of ING Industrial Fund for the year ended 30 June 2007 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



Ernst & Young



Douglas Bain
Partner
Sydney

19 September 2007

For personal use only

TOP 20 UNITHOLDERS

Rank	Name of Unitholder	Number of units held at 31 August 2007	%
1	HSBC Custody Nominees (Australia) Limited	177,580,987	15.96%
2	ING Real Estate International Investment III BV	85,328,665	7.67%
3	National Nominees Limited	79,236,619	7.12%
4	JP Morgan Nominees Australia Limited	74,166,257	6.67%
5	Trust Company Limited <VJ Trust>	66,840,909	6.01%
6	ANZ Nominees Limited <Cash Income A/C>	49,025,415	4.41%
7	ING Real Estate International Investment III BV	44,880,000	4.03%
8	ING Real Estate International Investment III BV	42,728,258	3.84%
9	Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	42,020,452	3.78%
10	Citicorp Nominees Pty Limited	38,093,857	3.42%
11	RBC Dexia Investor Services Australia Nominees Pty Limited <APN A/C>	14,503,390	1.30%
12	ING Real Estate International Investment III BV	11,432,267	1.03%
13	Cogent Nominees Pty Limited	9,489,645	0.85%
14	Questor Financial Services Limited <TPS RF A/C>	7,659,175	0.69%
15	Cogent Nominees Pty Limited <SMP Accounts>	7,145,482	0.64%
16	ING Real Estate International Investment III BV	6,902,512	0.62%
17	Bond Street Custodians Limited <ENH Property Securities A/C>	6,689,980	0.60%
18	AMP Life Limited	4,848,284	0.44%
19	Citicorp Nominees Pty Limited <CFSIL CFS WS INDX PROP A/C>	4,764,423	0.43%
20	Suncorp Custodian Services Pty Limited <PRT>	4,180,108	0.38%
Total number of units reported		777,516,685	69.89%
Total number of units on issue		1,112,415,812	
% of total number of units reported		69.89%	

RANGE OF UNITHOLDERS

Range	Holders	Number of Units	%
1-1000	1,525	569,197	0.05%
1001-5000	5,485	17,066,336	1.53%
5001-10000	5,625	41,882,347	3.76%
10001-100000	8,847	187,884,359	16.90%
100001 and Over	198	865,013,573	77.76%
Totals	21,680	1,112,415,812	100.00%

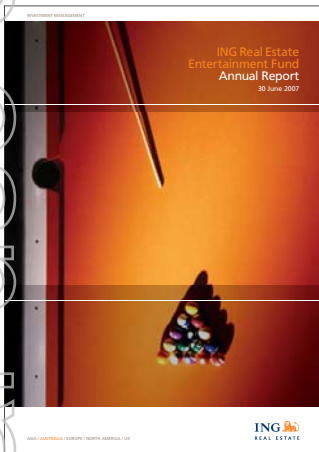
SUBSTANTIAL UNITHOLDERS

Date	Party	Number of units	%
27.7.2007	Barclays Global Investors Australia Limited	65,474,742	5.91%
24.7.2007	Commonwealth Bank of Australia	69,890,536	6.31%
23.7.2007	ING Australia Holdings Limited	203,797,688	18.40%
23.7.2007	Goodman Group	104,287,384	9.40%

OTHER INVESTMENT OPPORTUNITIES

ING Real Estate in Australia is recognised as one of the leading property fund managers. In addition to ING Industrial Fund we manage both listed and unlisted funds across all major property sectors – office, retail, seniors and students housing, entertainment and healthcare. Information relating to these funds can be found at www.ingrealestate.com.au/investment

ING REAL ESTATE ENTERTAINMENT FUND IEF



TOTAL ASSETS	\$394 M
ANNUALISED YIELD ON CLOSING PRICE	7.5%
PROPERTIES	37
TAX DEFERRED	65%
UNITHOLDERS	2,587
TOTAL RETURN TO INVESTORS	22%

ING Real Estate Entertainment Fund is a listed property trust that invests in entertainment and leisure venues. IEF delivers value to unitholders by investing in assets that demonstrate the potential for growth in earnings through active management. The Fund's investment strategy combines the depth, experience and resources of ING Real Estate with the trading experience of proven operators within the hospitality and leisure sector.

ING REAL ESTATE HEALTHCARE FUND IHF



TOTAL ASSETS	\$153 M
ANNUALISED YIELD ON CLOSING PRICE	7.4%
PROPERTIES	6
TAX DEFERRED	81%
UNITHOLDERS	3,013
TOTAL RETURN TO INVESTORS	21%

ING Real Estate Healthcare Fund is a listed property trust that invests in healthcare properties including hospital, specialist medical office buildings, medical centres, rehabilitation facilities, residential aged care, medical related laboratories and other purpose built healthcare facilities. The Fund has a diversified Australian portfolio and is well placed to consider strategic offshore investment opportunities. It is the only ASX listed entity that focuses solely on investment in healthcare properties.

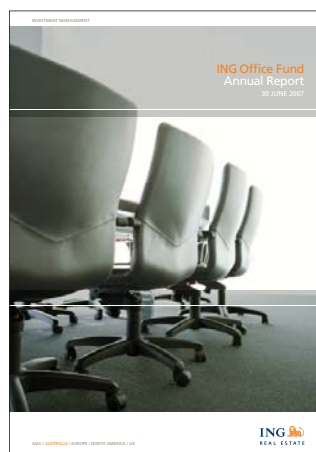
ING REAL ESTATE COMMUNITY LIVING GROUP ILF



TOTAL ASSETS	\$1.4 B
ANNUALISED YIELD ON CLOSING PRICE	8.0%
PROPERTIES	120
TAX DEFERRED	96%
UNITHOLDERS	5,467
TOTAL RETURN TO INVESTORS	27%

ING Real Estate Community Living Group is the only listed property group on the ASX specialising in seniors and students housing communities, and has recently been included in the S&P/ASX 300 property trust index. ILF has a portfolio of 120 seniors and student housing valued at \$1.2 billion. The Fund offers a diversified investment across Australia, Canada, New Zealand and the United States with key joint venture relationships and experienced management teams driving earnings growth for investors.

ING OFFICE FUND IOF



TOTAL ASSETS	\$3.5 B
ANNUALISED YIELD ON CLOSING PRICE	6.1%
PROPERTIES	23
TAX DEFERRED	33%
UNITHOLDERS	28,664
TOTAL RETURN TO INVESTORS	33%

ING Office Fund invests in office buildings located in key markets throughout the world and receives rental income from long-term leases to blue-chip tenants. The Fund is a publicly traded property trust on the Australian Securities Exchange (ASX) and is one of the top 100 listed entities on the ASX. IOF has assets across three continents – Australia, Europe and the United States, with total assets of approximately \$3.5 billion. The Fund has an average lease term to expiry of 5.5 years and a 96% occupancy rate.

INVESTOR RELATIONS

Enquiries relating to ING Industrial Fund can be directed to the ING Real Estate Enquiry line on 1300 653 497 (or from outside Australia +61 2 8280 7057). This service is available from 8:30am to 5:30pm (Sydney time) on all business days.

Information relating to the ING Industrial Fund can be found at www.ingrealestate.com.au/investment

The website is a useful source of information about the Fund and its property portfolio. The site allows unitholders to access their investment details including holding balance and payment history. Copies of the most recent annual and half year reports may be downloaded from the site. ASX announcements are also posted to the site upon confirmation of release to the market.

DISTRIBUTION PAYMENTS AND ANNUAL TAXATION STATEMENT

Distributions are paid at the end of each calendar quarter in October, February, April and August. To view your 2006/2007 Annual Taxation Statement online please visit the Link Investor Centre at www.linkmarketservices.com.au

DISTRIBUTION REINVESTMENT PLAN

The Distribution Reinvestment Plan (DRP) is currently in operation and allows unitholders to have their quarterly distribution payment automatically reinvested as additional IIF units at a discount to the market price, without brokerage or other transaction costs. Participation is optional and unitholders can join, vary their participation or withdraw from the DRP at any time.

2007/2008 UNITHOLDER CALENDAR

Distribution paid for the quarter ended 30 September 2007	31 October 2007
Annual Unitholder Meeting	16 November 2007
Distribution paid for the quarter ended 31 December 2007	29 February 2008
Half year report published	29 February 2008
Distribution paid for the quarter ended 31 March 2008	30 April 2008
Distribution paid for the quarter ended 30 June 2008	29 August 2008
Tax statement for 2007/2008 financial year	29 August 2008
Annual Report published	30 September 2008

The above dates are indicative only and are subject to change. An ASX announcement will be lodged prior to each period confirming the dates of distribution payments.

PRIVACY POLICY

ING Management Limited is committed to ensuring the confidentiality and security of your personal information. The ING Privacy Policy, detailing our handling of personal information, is available on our website at www.ingrealestate.com.au/investment

COMPLAINTS

ING Management Limited is a member of an independent dispute resolution scheme, the Financial Industry Complaints Service (FICS). Any unitholder wishing to register a complaint should direct it to Investor Services in the first instance, at the Responsible Entity's address listed in the Corporate Directory in this Report.

ING INDUSTRIAL FUND

ARSN 089 038 175

RESPONSIBLE ENTITY

ING Management Limited

ABN 15 006 065 032

AFS Licence No: 237534

REGISTERED OFFICE

Level 6, 345 George Street
Sydney NSW 2000

Telephone: + 61 2 9033 1035

Facsimile: + 61 2 9033 1060

Email: realestate@ingrealestate.com

Website: www.ingrealestate.com.au/investment

DIRECTORS OF IML

R J Colless AM (Chairman)

D P Blight

P M Clark AM

M B Easson AM

P Redmond

P F Scully

H S Thomson (alternate for D P Blight)

A L Astridge (alternate for D P Blight)

SECRETARIES

A A Crawford

H S Thomson

UNIT REGISTRY

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Telephone: 1300 653 497 (local call cost)

or from outside Australia: +61 2 8280 7057

Facsimile: +61 2 9287 0303

Email: ingrealestate@linkmarketservices.com.au

AUDITORS

Ernst and Young

680 George Street
Sydney NSW 2000

For personal use only

ING REAL ESTATE INVESTMENT
MANAGEMENT AUSTRALIA

Level 6, 345 George Street
Sydney NSW 2000

T : + 61 2 9033 1035

F : + 61 2 9033 1060

ING REAL ESTATE GLOBAL NETWORK

AUSTRALIA	HUNGARY	SPAIN
BELGIUM	ITALY	SWEDEN
CANADA	JAPAN	TAIWAN
CHINA	KOREA	THAILAND
CZECH REPUBLIC	POLAND	THE NETHERLANDS
FRANCE	ROMANIA	UK
GERMANY	SINGAPORE	USA