



# ASX Announcement

REAL ESTATE INVESTMENT MANAGEMENT

Date

2 August 2011

Fund

**ING Real Estate Healthcare Fund**

## IHF 2011 Annual Results

ING Real Estate Healthcare Fund (ASX: IHF) today announced its full year results for period ended 30 June 2011.

Key financial metrics for the period include:

Statutory profit of \$10.0 million compared to \$5.9 million for the prior corresponding period (pcp);

Operating income of \$4.2 million, down from \$5.5 million pcp;

Operating income per unit of 5.9 cents compared to 8.4 cents pcp;

Net tangible assets per unit increased by 7.1% from \$0.98 to \$1.05 at 30 June 2011;

Gearing remained unchanged at 52%<sup>1</sup>; and

Distributions per unit for the year decreased to 7.050 cents from 7.650 cents pcp.

Commenting on the results, IHF Chief Executive Officer, Miles Wentworth said: "Management has been active on both strategic and operational fronts during the past 12 months. As a result of the continued focus on the operational performance of the portfolio the properties have recorded solid rental growth and maintained high occupancy levels.

Additionally, management has worked closely with the Independent Board Committee of ING Management Limited (IML), to unlock the best available option for the future of the Fund which will remove the uncertainty that has surrounded ING's phased withdrawal from its real estate investment management activities in Australia."

### **Financial summary and capital management**

Statutory profit for the period was up \$4.1 million which was largely attributable to a revaluation uplift within the portfolio. However, this was partially offset by one-off transaction expenses incurred in negotiating proposals associated with previous unsuccessful, unsolicited offers for units in the Fund and the current proposal for a change in responsible entity to APN Funds Management Limited (APNFM) (a wholly owned subsidiary of APN Property Group Limited (APN) (ASX: APD)). Costs of the APNFM proposal amounted to \$0.8 million.

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<sup>1</sup> Gearing is calculated as net look-through debt to total look-through assets.



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Operating income of \$4.2 million was lower than pcp of \$5.5 million as a result of:

lower net property income due to the divestment of Epworth Rehabilitation Camberwell and the divestment of a 50% interest in Epworth Freemasons Clarendon Street during the 2010 financial year (the proceeds of which were applied to debt reduction); and

higher finance costs due to increased debt margins following the renegotiation and refinancing of debt facilities

However, the like-for-like underlying net passing income was up 4.6% across the portfolio.

### **Portfolio Update**

Key portfolio metrics for the period include:



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Managing the Fund as a pure healthcare property specialist;  
Actively managing the property portfolio with a focus on securing rental growth and maintaining high occupancy;  
Investigating growth and diversification opportunities; and  
Pursuing value- add redevelopment opportunities.

The management team led by Miles Wentworth (CEO) and Chris Adams (Director Acquisitions and Development) will remain in place under the new responsible entity.

A detailed results presentation for IHF is available on our website: [www.ingrealestate.com.au](http://www.ingrealestate.com.au)

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**About ING Real Estate Healthcare Fund**

*ING Real Estate Healthcare Fund (ASX code: IHF) is Australia's only externally managed ASX-listed real estate investment trust that invests in healthcare properties. The portfolio of six properties includes hospitals, medical centres, rehabilitation facilities, laboratories and other purpose-built healthcare facilities. The Fund partners with high quality healthcare tenants with strongly diversified income streams. IHF has total assets under management of \$198.8 million with investments located in Victoria and Queensland.*

**About ING Real Estate Investment Management**

*ING Real Estate Healthcare Fund is one of three listed real estate investment trusts that are managed by ING Real Estate Investment Management Australia. ING Real Estate Investment Management is part of ING Group, a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries.*