

ING UK Real Estate Income Trust

IRET Q4 Newsletter

Facts & Figures

(At 31st December 2008)

Launch Date

> 25 October 2005

Shares in issue

> 330.4 million

Share Price

> 22.5 pence

Dividend

> 4 pence (annual) *

Market Capitalization

> GBP £74.34 million

Net Asset Value

> GBP 210.3 million

Property Value

> GBP 434.25 million

Net Asset Value per Share

> 64 pence

Number of Properties

> 51

Average Lot Size

> GBP 8.51 million

Average Lease Length

> 9.10 years

Current Debt

> GBP 225 million

Net Gearing **

> 47.2%

Weighted Average Cost of Debt ***

> 4.86%

Financial Year End

> 31 December 2008

Half Year

> 30 June 2009

Dividend Payment Dates

> Aug/Nov/Feb/May

Total Expense Ratio

> 1.42% Annualised to 31st December 2008

* With effect from 04/11/08

** Net gearing is calculated as total debt less cash deposits as a proportion of gross property asset value.

*** Excluding loan arrangement costs

Source: ING Real Estate

Key Highlights

- > NAV of approximately 64 pence per share.
- > Dividend Cover in excess of 130% over the period.
- > Focus on debt reduction with GBP 57.2 million of non-securitised debt repaid over the quarter.
- > Continued disposal programme with GBP 4.7 million of sales completed over the quarter, and further sales completed following the quarter end.
- > Active management and lease restructuring has resulted in an increased overall weighted average lease length on the portfolio.

About the Company

The Company is a closed-ended, Guernsey registered investment company. The Company was launched on the London and Channel Islands' Stock Exchanges on 25 October 2005. The investment portfolio is managed by ING Real Estate Investment Management (UK) Limited, a member of the ING Group.

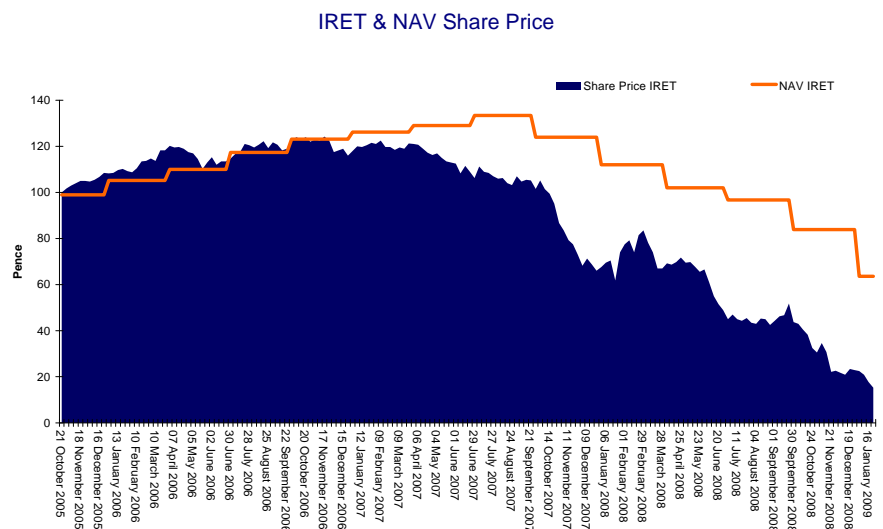
Investment Objectives and Process

The Company's aim is to provide shareholders with an attractive level of income together with the potential for capital growth.

The Company will invest both directly and indirectly in UK commercial real estate. The Manager's investment process is research-led, guided by an interactive top-down and bottom-up approach.

Performance

As at 31st December 2008 the Net Asset Value of the Company was GBP 210.3 million, reflecting approximately 64 pence per share. In line with the underlying real estate market, the underlying property portfolio saw a capital decline of -9.9%, which combined with the mark to market movement in the SWAP valuation resulted in a reduction to the NAV of approximately 20 pence per share or a decrease of 24.0% over the quarter.



(Source Datastream/ING REIM)

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Important Information

This newsletter is issued by ING UK Real Estate Income Trust Limited ("IRET"). It is based on information supplied by the Investment and Property Manager, ING Real Estate Investment Management (UK) Limited. This newsletter is intended for shareholders of IRET only. The provision of the information herein is permitted under Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. It is not a recommendation to deal or refrain from dealing in the shares of IRET. This newsletter should not be passed to any person other than an existing shareholder in IRET or their professional adviser. Any shareholder who requires advice on their investment in IRET should contact their stock broker, bank or independent financial adviser. This newsletter has been approved by ING Real Estate Investment Management (UK) Funds Ltd which is authorised and regulated by the Financial Services Authority.

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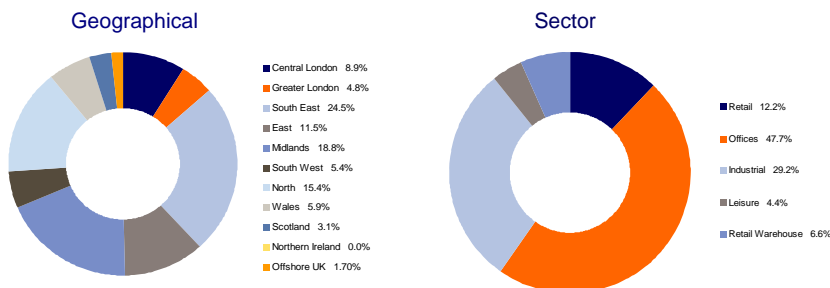
Website

www.ingreit.co.uk

Changes in Capital Structure

At the start of the quarter, the company repaid GBP 57.2 million of non-securitised debt, reducing the overall level and cost of debt to GBP 225 million and 4.86% pa respectively.

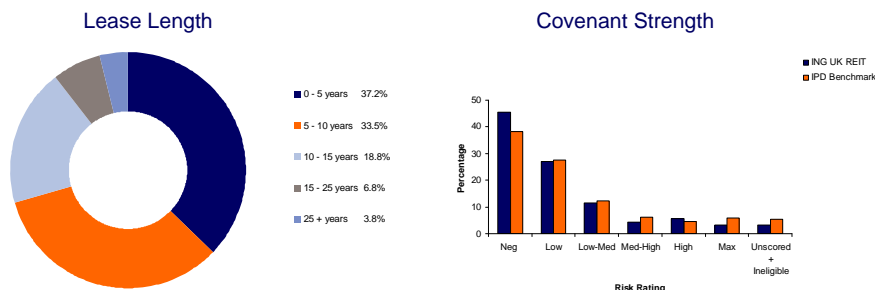
Diversification



Security of Income

As a percentage of current net annual rent, the length of the lease to the first termination is summarised below.

The covenant strength, based as a percentage of current passing rent by risk rating, is shown in the chart below. The Company also holds GBP 1.43 million in rental deposits.



(Source IPD, September 2008)

Acquisitions and Disposals

Over the quarter the company completed on the disposal of the Fulham Road asset for GBP 4.7 million. Further disposals have been announced following the quarter end.

Fund Managers Commentary

The final Quarter of 2008 showed a capital decline of 14.4% according to the IPD Quarterly Index. This was the largest quarterly decline on record and reflected the uncertainty and repricing in the market as a result of the systematic failure in the UK banking system. According to IPD, capital values have fallen over 34% since June 2007.

The Company continues with its asset disposal programme and as a result of the continued repricing in the underlying market to ensure continued compliance with debt covenants.