

ING UK Real Estate Income Trust Limited (IRET) Q4 2009 NEWSLETTER



UK
INVESTING

QUARTERLY REVIEW
4Q09

FACTS & FIGURES

(At 31st December 2009)

Launch Date

> 25 October 2005

Shares in issue

> 330.4 million

Share Price

> 53.8 pence

Dividend

> 1 pence per share paid
30/11/2009

Market Capitalisation

> GBP 177.6 million

Net Asset Value

> GBP 181.1 million

Property Value

> GBP 352.7 million

Net Asset Value per Share

> 55 pence

Number of Properties

> 42

Average Lot Size

> GBP 8.40 million

Average Lease Length

> 8.60 years

Net Gearing*

> 43.5%

Weighted Average Cost of Debt**

> 4.87%

Current Debt***

> GBP 190 million

Financial Year End

> 31 December 2009

Half Year

> 30 June 2009

Dividend Payment Dates

> Aug/Nov/Feb/May

Total Expense Ratio

> 1.17% Annualised to 31/12/09

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

** Excluding loan arrangement costs

*** This figure ignores the liquidity facility of GBP 14 million.

KEY HIGHLIGHTS

- > Rise in NAV per share of approximately 12% over the quarter, reflecting an increase of c. 6 pence per share.
- > Increase of GBP 20.4 million in the underlying property portfolio value over the quarter, representing an increase of 6.1% on a like-for-like basis.
- > Dividend of GBP 3.3 million paid.
- > Upwards adjustment in respect of the mark to market value of the interest rate swaps of GBP 0.8 million.
- > Key lettings achieved at Broadmead, Bristol and at Boundary House, London.

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 property portfolio is managed by ING Real Estate Investment Management (UK) Limited, a member of the ING Group.

INVESTMENT OBJECTIVES

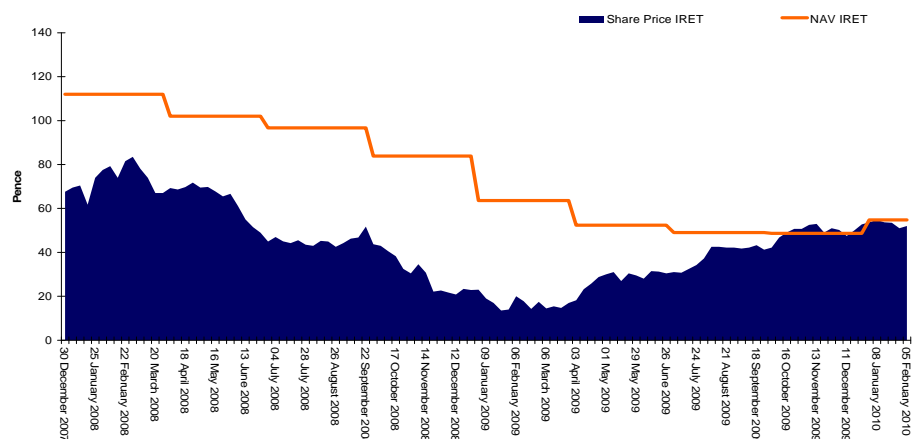
The Company's aim is to provide shareholders with an attractive level of income together with the potential for capital growth, through investment both directly and indirectly in UK commercial real estate.

The Company can invest in commercial real estate in the UK, the Isle of Man and the Channel Islands. It can invest principally in five commercial property sectors: office, retail, retail warehousing, industrial and leisure. It also has the ability to invest in other property funds and the residential sector.

PERFORMANCE

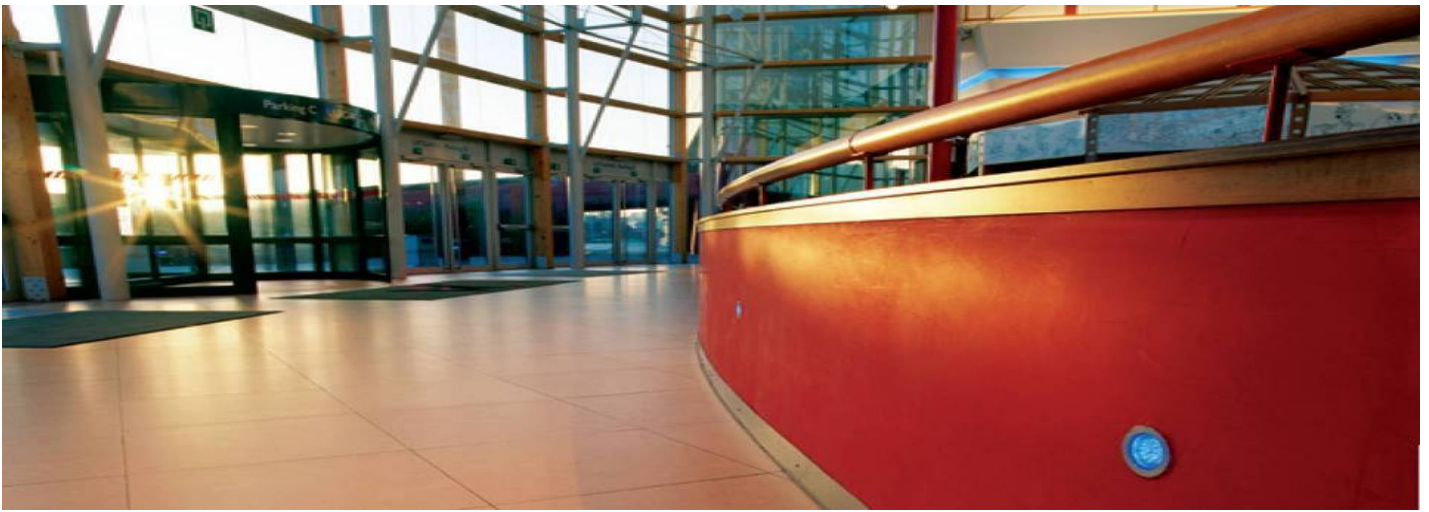
As at 31st December 2009 the Net Asset Value of the Company was GBP 181.1 million, reflecting c. 55 pence per share. The underlying property portfolio saw a capital increase of 6.1%, which combined with a positive mark to market movement in the swap valuation, resulted in an increase in the NAV of c. 12% over the quarter.

IRET NAV & Share Price



CHANGES IN CAPITAL STRUCTURE

There were no changes in the capital structure over the quarter.



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. 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.

CONTACT INFORMATION

Fund Administration

David Sauvarin
Northern Trust International Fund Administration Services (Guernsey) Limited
P.O. Box 255, Trafalgar Court, Les Banques,
St Peter Port, Guernsey GY1 3QL
T: 01481 745 001

Broker

William Simmonds
JP Morgan Cazenove
20 Moorgate, London, EC2R 6DA
T: 020 7588 2828

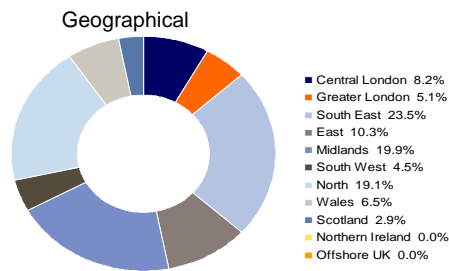
Investment and Property Manager

Michael Morris
ING Real Estate Investment Management (UK) Limited
1st Floor, 60 London Wall,
London, EC2M 7BP
T: 020 7767 5600

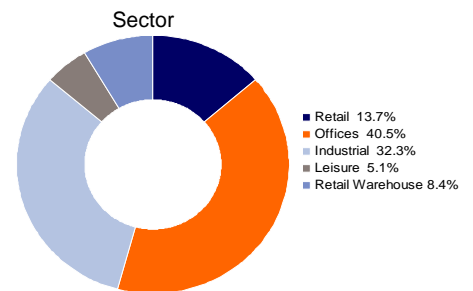
Website

www.ingreit.co.uk

DIVERSIFICATION



(Source: ING REIM Dec 2009)

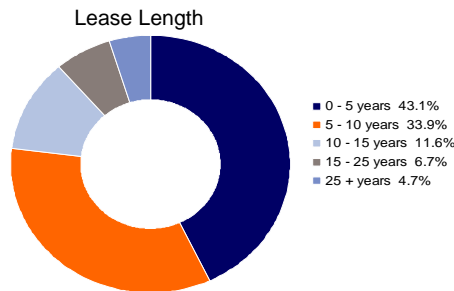


(Source: ING REIM Dec 2009)

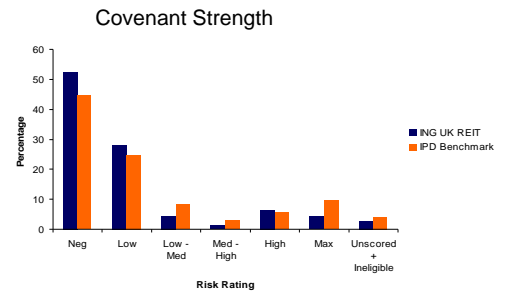
SECURITY OF INCOME

The property portfolio has an average unexpired lease term of 8.6 years. 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 stronger than the IPD average, and is shown in the chart below. The Company also holds GBP 1.3 million in rental deposits.



(Source: ING REIM Dec 2009)



(Source: IPD Sep 2009)

ACQUISITIONS AND DISPOSALS

Over the quarter the Company made no acquisitions or disposals.

FUND MANAGERS COMMENTARY

The UK Commercial Property Market experienced a rapid improvement in pricing over Q4 2009, which was reflected in the record 7.4% quarterly capital growth seen on the IPD Monthly Index. Set against this backdrop, the majority of the Company's assets saw notable positive revaluation movements over the period.

Whilst occupancy risks still remain, the portfolio has a high occupancy rate of c. 93%, which is significantly ahead of IPD. The average lease length was 8.6 years. Notable transactions over the quarter included a new letting at Broadmead, Bristol to Barclays at a rent of GBP 415,000 pa; and the letting of the 4th floor at Boundary House, London at a rent of GBP 113,470 pa.

The Company remains compliant with its principal banking covenants.