

ING UK Real Estate Income Trust

IRET Q2 Newsletter

Facts & Figures

(At 30 June 2008)

Launch Date

- > 25 October 2005

Shares in issue

- > 330.4 million

Share Price

- > 47.5 pence

Dividend

- > 6.25 pence (annual)

Market Capitalization

- > GBP 156.94 million

Net Asset Value

- > GBP 319.4 million

Property Value

- > GBP 534.19 million

Net Asset Value per Share

- > 96.7 pence

Number of Properties

- > 54

Average Lot Size

- > GBP 9.89 million

Average Lease Length

- > 8.87 years

Current Debt

- > GBP 282.2 million

Gearing*

- > 46.9%

Weighted Average Cost of Debt**

- > 5.09%

Financial Year End

- > 31 December 2008

Half Year

- > 30 June 2008

Dividend Payment Dates

- > Aug/Nov/Feb/May

Total Expense Ratio

- > 1.28% TER 12 month to 30 June 2008

Gearing is calculated as bank debt, as a proportion of gross assets less current liabilities

** Excluding loan arrangement costs

Source: ING Real Estate

Key Highlights

- > NAV of approximately 96.7 pence per share
- > GBP 34.6 million of disposals completed over the quarter, 3.2% ahead of March 2008 valuation
- > Letting of second largest rental void in 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.

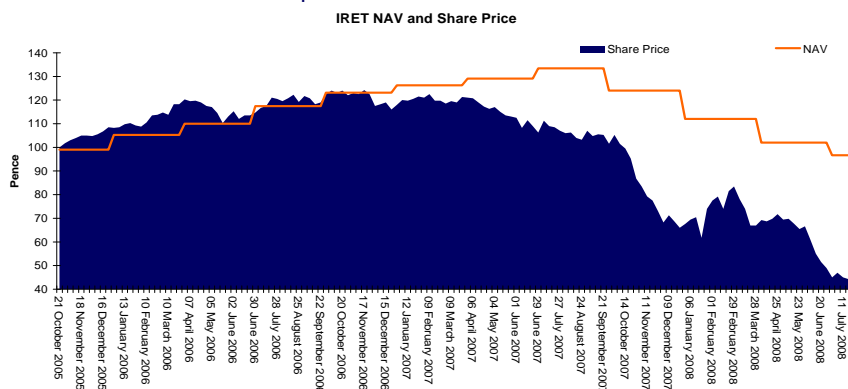
Investment Objectives and Process

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 30 June 2008 the Net Asset Value of the Company was GBP 319.4 million, reflecting approximately 96.7 pence per share. In line with the underlying real estate market, the underlying property portfolio saw a capital decline of -5.15%, which resulted in a reduction to the NAV of approximately 5.5 pence per share or a decrease of 5.44% over the quarter.



(Source Datastream/ING REIM)

Changes in Capital Structure

There were no changes to the capital structure over the quarter. Following the completion on the sale of GBP 34.6 million of assets over the quarter, the company increased cash held on the balance sheet to GBP 63.8 million, which equates to a NET LTV of 40.6%. The weighted average cost remains fixed at 5.09% per annum with a weighted average time to expiry of four years.

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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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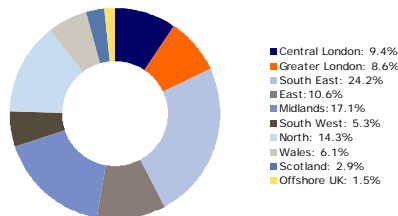
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Website

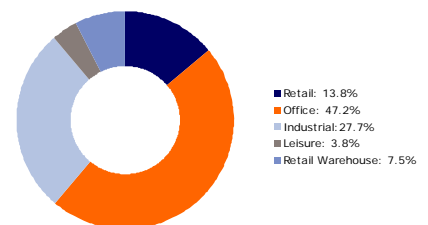
www.ingreit.co.uk

Diversification

Geographical



Sector

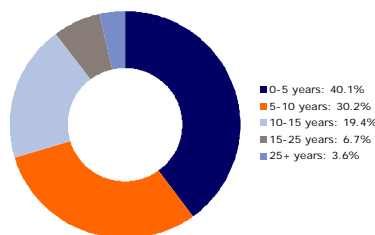


Security of Income

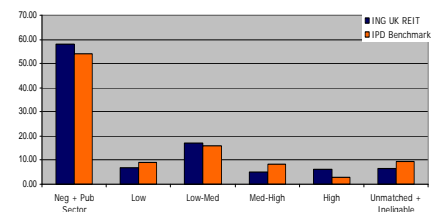
As a percentage of current net annual rent, the length of the lease to the first termination is summarised below.

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 1.40 million in rental deposits.

Lease Length



Covenant Strength



(Source IPD, June 2008)

Acquisitions and Disposals

The Company completed on the disposal of assets in Chester and Stevenage for a figure of GBP 34.6 million with a weighted average net initial yield of 5.04%. These disposals were valued at a 3% premium to the preceding valuation.

The sales are in line with the Company's strategy of focusing on income return and divesting of lower yielding assets and those assets with limited active management opportunity, so that capital can be recycled.

Fund Managers Commentary

Concerns over the strength of the wider UK economy and inflationary pressures, combined with rising swap rates, led to another difficult quarter in the UK commercial real estate market. With significantly reduced transaction volumes, limited purchasing interest and despite the fact capital values had been written down over 19% since their peak in June 2007, yields continued to move out across all sectors. The re-pricing continued at an increased rate in June and IPD Monthly Capital Growth Index showed a decline of -4.2% over the quarter.