

Chairman's Address, Annual Meeting of ING Medical Properties Trust, 28 November 2007

The following is the address of the Chairman of the Manager of ING Medical Properties Limited for the ING Medical Properties Trust Annual Meeting held at Remuera Room, Ellerslie Stand, Ellerslie Event Centre at 3.00 pm on 28 November 2007.

[Welcome]

Good afternoon ladies and gentlemen, and welcome to the 2007 Annual Meeting of ING Medical Properties Trust.

My name is **Bill Thurston**, and it is my pleasure to be addressing you today in my first meeting as Chairman of ING Medical Properties Limited.

The quorum required to pass an extraordinary Resolution is Unitholders having the right to vote at the meeting, present in person or by representative holding not less than 10% of the number of units on issue.

Proxies have been received from Unitholders representingUnits which account for % of total units on issue.

I can confirm that a quorum is present.

[Meeting process/agenda]

I declare the meeting open, and the order of the meeting will be as follows:

1. I will give my address first.
2. This will be followed by a presentation from David Carr, the General Manager of ING Medical Properties Limited. His address will cover the activities of the Trust over the past 12 months and also the first quarter of the new year. I will then invite you to ask any questions you may have of me or David on the activities of the Trust.
3. Following the General Manager's address and questions, we will then move to the formal part of the meeting, which is the proposed resolutions as detailed in the Notice of Annual Meeting sent to all

unitholders. Following my introduction of the resolutions, I will then invite questions relating to the resolutions and following this a vote will be called.

4. Lastly we will have General Business, which is to consider any other business or questions that may properly be brought before the meeting.
5. At the conclusion of the meeting, there will be refreshments, which I invite all unitholders to enjoy with us.

I also point out that the minutes of last year's annual meeting and the accounts of the Trust are available for inspection during the Meeting.

[Introductions]

Before covering the specific activities that occurred over the year, I would like to take the opportunity to introduce my fellow Directors. To my left/right is **Graeme Horsley** and to his left/right is **Peter Brook** and next to Peter is **Andrew Evans**.

I would also like to introduce the General Manager of ING Medical Properties Limited, **David Carr**, and the Chief Financial Officer and Company Secretary, **Jeremy Nicoll**.

Also present is **Matthew Band** from Trustees Executors, the Trustee of ING Medical Properties Trust (to stand up). And also with us today is **Malcolm Downes** from KPMG, the auditors for the Trust, who will review the voting process.

As this is a new Board, I would like to spend a few moments introducing each of the directors, detailing their experience and expertise and what they will bring to the ongoing stewardship of the Trust.

William (Bill) Thurston, Chairman

Starting with me, I have 40 years' legal experience, including General Counsel for Fletcher Challenge Limited and a former Chairman of the nationwide law firm Bell Gully.

I am the current Chairman of The University of Auckland Business School Advancement Group and also the Chairman of Tonkin & Taylor, Consulting Engineers.

In April this year, I was appointed as an independent director to the New Zealand Rugby Union and am currently a member of the New Zealand Stock Exchange Appeals Panel.

I have extensive corporate governance, legal and property expertise both in New Zealand and overseas markets.

Graeme Horsley is an Independent Director

Graeme has 40 years' property valuation and consultancy experience, including 14 years with Ernst & Young New Zealand, where he was National Director of the Real Estate Group.

Graeme is a Life Fellow of the New Zealand Institute of Valuers (now the Property Institute of New Zealand), a member of the American Society of Real Estate Counselors, and a Government appointee and Deputy Chairman of the Bay of Plenty District Health Board.

Graeme brings extensive experience to the Trust in the valuation of specialised property and infrastructure assets, and the establishment and implementation of corporate real estate strategies. He has written and presented extensively on public and private sector real estate matters, including to the World Bank.

Graeme is an Accredited Fellow of the Institute of Directors in New Zealand, and is currently a Director of AMP New Zealand Office Trust.

Peter Brook, Non Executive Director

Peter brings with him 20 years' experience in the investment banking industry, where he was Managing Director of Merrill Lynch New Zealand before retiring at the end of 2000 to pursue his own business and consultancy activities.

He is also a director of ING Property Trust Management Limited, Trust Investments Management Limited, Albany City Property Investments Limited and chairman of Burgerfuel Worldwide Limited.

Peter is also a Trustee of the Melanesian Mission Trust Board and a director of several other private companies.

Andrew Evans, Non Executive Director

Andrew is a registered valuer with 20 years' experience in the property industry, principally with multi-disciplinary property companies in New Zealand and the United Kingdom. A large part of Andrew's career has covered the provision of property-based advice over the spread of property asset types.

Andrew is Managing Director of ING New Zealand's Real Estate division, a Director of ING Property Trust Management Limited and a member of the ING New Zealand executive team. He was previously the National President of the Property Council of New Zealand.

[Executive summary]

The Directors are firmly of the view that the Trust is well positioned for organic growth within the existing portfolio. Furthermore, the Board, together with the Manager, will continue to focus on the growth and enhancement of unitholder value through expert and active specialist investment management.

The Trust has been performing well in all areas up to the end of the Trust's financial year in June 2007. However, since then, we have seen a considerable amount of market jitters on the back of the sub-prime 'credit crunch' in the US, followed by the collapse of a number of finance companies here in New Zealand.

The negative sentiment around these events has clearly impacted on the broader New Zealand sharemarket and also filtered through to the listed property sector. The Trust has not been immune to this general caution and aversion to risk.

Even though the property portfolio continues to perform well – the annualised first quarter distribution for the 2008 year is 4.3% up on the distribution for the same period last year – the Trust's unit price has suffered over recent weeks. It is now trading at approximately a 10% discount to NTA – a level that we do not believe is justified based upon the solid fundamentals and low risk nature of the Trust.

A further benefit to unit holders was the introduction of the PIE's (Portfolio Investment Entities) regime from 1 October 2007. Under the PIE regime investors in the Trust will get the same benefits currently afforded to private

investors. This means that the tax benefits of allowances, such as depreciation and any tax free capital gains obtained by the Trust will effectively be passed onto investors. Under the PIE rules, the Trust continues to pay tax on its taxable income, with distributions then being tax free to unitholders rather than taxable income as currently occurs. The result of these changes should see an increase in many investors after tax distributions, even though there will be no effect on the Trust's gross distribution.

It is also worth pointing out that the characteristics of the assets in the Trust mean they are likely to be less affected by economic conditions than more traditional investment assets. More importantly, the New Zealand and Australian populations are increasingly taking out private medical insurance which, with an ageing population and advancements in medical and surgical technology, underpins and supports the Trust's core business.

To illustrate my point:

- The tenant occupancy levels have been retained at nearly 100%
- The weighted average lease term is nearly 10 years;
- Positive rental reviews have resulted in solid rental growth; and
- Acquisitions and development within the portfolio has strengthened the Trust's tenant mix, diversity and income profile.

Potential merger

While now somewhat historic, it is appropriate that I cover off the merger discussions with ING Property Trust that were terminated in June 2007. As reported at the time, commercially acceptable terms could not be reached with ING Property Trust and accordingly your Directors were unwilling to recommend that a merger proceed.

The ING Medical Properties Trust will therefore continue to operate as a standalone entity, with its own manager and Board, and a new strategy for growth and value enhancement. There have been no further or ongoing discussions with ING Property Trust since merger negotiations were terminated in June 2007.

Strategic review

When it became evident that a merger would not be achieved, the Directors instructed the management team to undertake a full and comprehensive strategic review of the Trust, its assets and activities.

As part of that review, a new name for the Trust was introduced. Trustees Executors Limited, as Trustee, agreed to the name change from Calan Healthcare Properties Trust to ING Medical Properties Trust with effect from August 2007. Since the name change, we have received positive feedback from both tenants and unitholders.

The change identifies the Trust as part of the global ING Group, giving both existing and potential investors, as well as tenants, assurance that the Trust's properties are managed by a stable, established and experienced property manager of considerable size and strength. Currently, ING Group is one of the world's largest financial services companies, and is responsible for the management of more than \$120 billion in property assets worldwide.

Also, as a result of the strategic review, a new board was formed to give direction to and oversee the implementation of the Trust's new initiatives and strategic direction. As noted earlier, joining me on the new board are Graeme Horsley, Peter Brook and Andrew Evans.

I'd also like to take this opportunity to acknowledge the achievements of the previous Board. They provided sound leadership and stewardship on behalf of unitholders for the last five years. Your new Board looks forward to moving the Trust forward as a specialist medical and health sector property investor.

Outlook

Looking forward, the Trust remains in a healthy position, with excellent assets, quality tenants and secure long-term leases.

Barring unforeseen circumstances, the Board is projecting further improvement in distributions to unitholders for the 2007/2008 year, as has been shown to date with the first quarter gross distribution of 2.45 cents per unit, equating to an annualised 9.8 cents per unit distribution, an increase of 3.2% on the 9.5 cents per unit in 2007.

I would like to reiterate that the Trust's property portfolio has strong defensive characteristics based around its medical and healthcare focus,

consistent growth profile, long weighted average lease term profile and low vacancy rate.

[Close]

In closing, I'd like to thank all unitholders for your continued support, and I confirm the Board and management remain fully focused in delivering the best possible returns for you.

I will now ask David Carr to present a management overview of the last 12 months and the first quarter of the current year. There will be opportunities for questions after David's presentation.

[David to present]

[Bill to facilitate questions from the floor]

Note – reiterate that subsequent to answering the questions from the floor on the Trusts activities, the Chairman will present a recap of the resolutions and then the unitholders will have the ability to ask questions on the resolutions]

Resolutions

Unitholders have been invited to vote on four proposals at today's Annual Meeting. The proposals include:

- Resolution One: To lower the threshold for unitholders to request an extraordinary meeting of the Trust to unitholders holding 5% or more of the units (this was previously a 10% threshold) and formalising the requirement to hold an annual meeting of unitholders;
- Resolution Two: To lift the maximum permitted debt-to-asset ratio to 50% from 35%;
- Resolution Three: To amend the auditor provisions of the Trust Deed to ensure that a separate auditor is used by the Trust than by the Manager of the Trust; and
- Resolution Four: To give unitholders the ability to nominate and vote on independent directors.

These changes that you are being asked to vote on in Resolutions One, Three and Four are to strengthen the rights of unitholders in the Trust.

We recognise the importance to unitholders of having a greater say in the management and direction of the Trust. In that regard, the Manager has undertaken to allow unitholders to nominate and vote on the independent directors for appointment to the Board of the Manager commencing in 2008.

If approved, ING Medical Properties Trust will be only one of two trusts in New Zealand that do this; the other is ING Property Trust. Good corporate governance also dictates that the auditor of the Trust and the auditor of the Manager should be different.

In addition to the above corporate governance changes, unitholders will be asked to vote on lifting the Trust's maximum permitted debt-to-total-asset ratio to 50% from 35%, with the intention of maintaining its target debt-to-total-asset ratio at 40% over the medium to long term.

The higher gearing ratio is necessary for the Trust to undertake value adding opportunities for the benefit of unitholders, without having to raise further capital. Further details on this proposal and some near-term opportunities that are underway were covered in detail in the General Manager's presentation.

I will now ask if there are any questions from unitholders on the proposed resolutions.

[Bill to facilitate questions]

Since there are no further questions, we will proceed to voting.

As Chairman of the Meeting, I am calling for a poll on each resolution. Each resolution will be voted on separately and to be passed will require a majority of 75% of the votes cast.

All unitholders (or their proxies or representatives) should have a voting paper.

Is there anyone entitled to vote who does not have a voting paper?

[pause]

[If there are any such people] – Could you please go to the share registrar's desk at the entry and obtain a voting paper.

[pause while voting paper are obtained]

[when everybody is ready]

As all four extraordinary resolutions are contained within the Notice of Meeting and they have been circulated to all unitholders, the resolutions will be taken as read.

I now call for someone to move each of the four Resolutions as set out in the Notice of Meeting be passed without alteration.

Call for Secunder.

Thank you

I will now call for a poll on each resolution. As I do so, please mark your voting papers with a tick in the appropriate box to indicate whether you are voting 'for' or 'against' each resolution.

Proxy holders may note that their voting papers are marked 'discretionary'. If this is the case, please ensure that you mark your voting papers also.

At the conclusion of the voting, please remain in your seats and the scrutineers will come and collect your voting papers from you. We will then proceed to General Business. The results of the voting will be announced at the conclusion of General Business if they are available. If they are not available, they will be announced to the Market as soon as possible.

Resolution One: To lower the threshold for unitholders to request an extraordinary meeting of the Trust to unitholders holding 5% or more of the units (this was previously a 10% threshold) and formalising the requirement to hold an annual meeting of unitholders;

Call for a poll for the first resolution.

Resolution Two: To lift the maximum permitted debt-to-asset ratio to 50% from 35%;

Call for a poll for the second resolution.

Resolution Three: To amend the auditor provisions of the Trust Deed to ensure that a separate auditor is used by the Trust than by the Manager of the Trust; and

Call for a poll for the third resolution.

Resolution Four: To give unitholders the ability to nominate and vote on independent directors.

Call for a poll for the fourth resolution.

[General Business]

I'd now like to move onto general business and open the floor to any questions.

(comment on availability of results of resolution voting- announce if available)

[Closure]

Ladies and gentlemen, that concludes the formal business of the meeting and I formally declare the meeting closed.

I thank you for your attendance and participation and invite you to join us for some refreshments.