

MEDIA RELEASE

Auckland, 10 December 2008

ING New Zealand recommends managed wind up for DYF and RIF

\$100 million cash to be made available to investors

ING New Zealand today announced that given the on-going difficult market conditions the company is recommending to the Trustee that the ING Diversified Yield Fund (DYF) and the ING Regular Income Fund (RIF) should be wound up over an extended period of time.

In connection with the managed wind up of the funds, ING's shareholders have approved a \$100 million loan to the funds to provide investors with cash immediately.

"Investors have told us they would like to see a path out of suspension for these funds," said Helen Troup, CEO of ING New Zealand. "While we can't control the markets or change what has happened to date, we are looking to provide an alternative that would give investors clear direction going forward as well as access to some of their money in the short term," Troup continued.

The non-recourse loan would be made available to the funds at favourable commercial terms, and would have to be paid back before the cash generated through the wind up would be returned to investors.

A unitholder meeting will be held before 31 March 2009 where unitholders will be asked to approve changes to the Funds' trust deeds to allow this managed wind up to occur.

"The cash option that ING will be proposing is aimed at helping investors as we sell assets over an extended timeframe. It does not reflect the level of any final returns to investors," Troup said. "Although a formal offer cannot be made until we have the detailed terms, we wanted to announce our plan as soon as we could."

Assuming the Trustee accepts the recommendation, all the details about the proposed wind up options including the relevant terms and conditions will be provided as part of an information pack and sent to investors over the coming months. The information will include a third party report to help investors make an informed choice.

Investors and advisers will be sent communications next week advising them of the current status of both Funds and the process expected to be followed from here.

Ends

Press Enquiries

Cynthia Church, ING New Zealand
09 368 6701, Mobile 021 433 284
CChurch@ingnz.com

Profile of ING New Zealand

ING (NZ) Ltd is part of the global ING Group. ING Group is a global financial institution of Dutch origin offering banking, insurance and asset management to over 85 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce of 130,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand.

In New Zealand, ING's core business is financial services and the company's objective is to help clients meet their financial objectives through the accumulation, investment and protection of assets. Products and services offered include investments and savings, wholesale/institutional investment management, and life insurance.

Fact Sheet

FOR MEDIA AND ADVISER USE

10 December 2008

ING Diversified Yield Fund (DYF) and ING Regular Income Fund (RIF)

The dramatic decline in the DYF and RIF unit prices over the month of November reflected 31 October month-end prices that were received from our pricing providers. (NB: these prices are reflected in the unit price as they are received over the month).

The decline in October Collateralised Debt Obligation (CDO) prices was primarily due to an unprecedented deterioration in the global credit market. Simply put, there was a wave of credit and structured credit security sellers responding to the heightened risk of a failure in the global banking system and the expected economic downturn. The selling was broad-based, with virtually every major credit and equity market experiencing record, or close to record, monthly declines in value.

Going forward, we expect this volatility to continue.

Fund summary as at 30 November 2008

	DYF	RIF
FUM NZD	\$189.2m	\$84.3m
Number of units	427.0m	232.0m
Unit price:		
As at 31 October 2008	0.5922	0.5048
As at 30 November 2008	0.4432	0.3636
As at 8 December 2008	0.4081	0.3342
Cumulative distrib. since inception	32.40%	19.96%
Cumulative distrib. since inception (cpu)	0.3285	0.1805

Month end prices

DYF

	2008	2007	2006	2005	2004	2003
Jan	0.9046	1.0776	1.1226	1.0479	1.0402	
Feb	0.8281	1.0861	1.1286	1.0541	1.0468	
Mar	0.7669	1.0676	1.0767	1.0639	1.0530	
Apr	0.7264	1.0685	1.0867	1.0736	1.0598	
May	0.7094	1.0749	1.0971	1.0808	1.0643	
Jun	0.6589	1.0624	1.0685	1.0661	1.0474	1.0000
Jul	0.6563	1.0604	1.0744	1.0774	1.0542	1.0045
Aug	0.6350	0.9911	1.0815	1.0839	1.0640	1.0097
Sep	0.6248	0.9478	1.0683	1.0933	1.0344	1.0268
Oct	0.5922	0.9559	1.0754	1.1004	1.0345	1.0226
Nov	0.4432	0.9556	1.0835	1.1072	1.0430	1.0277
Dec		0.9236	1.0683	1.1152	1.0386	1.0345

RIF

	2008	2007	2006	2005
Jan	0.7905	1.0383	1.0204	
Feb	0.7220	1.0460	1.0201	
Mar	0.6890	1.0292	1.0190	
Apr	0.6269	1.0277	1.0266	
May	0.6210	1.0306	1.0352	
Jun	0.5939	0.9862	1.0232	
Jul	0.5893	0.9900	1.0294	
Aug	0.5735	0.9123	1.0378	
Sep	0.5412	0.8537	1.0253	
Oct	0.5048	0.8553	1.0313	1.0114
Nov	0.3636	0.8449	1.0382	1.0199
Dec		0.8034	1.0306	1.0140

Monthly total returns (pre tax and after fees)

DYF

	2008	2007	2006	2005	2004	2003
Jan	-2.06%	0.87%	0.66%	0.90%	0.55%	
Feb	-8.46%	0.79%	0.53%	0.59%	0.63%	
Mar	-7.39%	0.58%	1.61%	0.93%	0.60%	
Apr	-5.28%	0.08%	0.93%	0.91%	0.65%	
May	-2.34%	0.60%	0.96%	0.67%	0.44%	
Jun	-0.33%	-1.16%	0.75%	0.62%	1.07%	
July	-0.39%	-0.19%	0.55%	1.06%	0.65%	0.45%
Aug	-3.25%	-6.54%	0.66%	0.60%	0.93%	0.52%
Sep	-1.61%	-4.37%	0.65%	0.87%	0.77%	0.70%
Oct	-5.22%	0.85%	0.66%	0.65%	0.53%	0.57%
Nov	-25.16%	-0.03%	0.75%	0.62%	0.82%	0.50%
Dec		-3.35%	0.79%	0.72%	0.77%	0.66%
DYF (YTD)	-48.51%	-11.55%	9.92%	9.53%	8.74%	3.45%

RIF

	2008	2007	2006	2005	2004	2003
Jan	-1.61%	0.75%	0.63%			
Feb	-8.67%	0.74%	-0.03%			
Mar	-4.57%	0.42%	0.88%			
Apr	-6.83%	-0.15%	0.75%			
May	-0.94%	0.28%	0.84%			
Jun	-2.03%	-2.36%	0.80%			
Jul	-0.77%	0.39%	0.61%			
Aug	-2.68%	-7.85%	0.82%			
Sep	-2.93%	-4.51%	0.54%			
Oct	-6.73%	0.19%	0.59%	1.14%		
Nov	-27.97%	-1.22%	0.67%	0.84%		
Dec		-2.97%	0.62%	0.72%		
RIF (YTD)	-51.17%	-15.47%	7.97%	2.73%		

The market volatility and illiquidity that has contributed to the suspension of the ING Diversified Yield Fund and the ING Regular Income Fund (the Funds) mean it is difficult to reliably determine a fair market value for some of the investments in the Funds. No representation or warranty is made as to the accuracy or reliability of the current unit prices or funds under management figures provided on this Fact Sheet.



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