

PRESS RELEASE

Auckland, 25 February 2009

ING New Zealand to guarantee value of the Diversified Yield and Regular Income Funds

ING (NZ) Limited today announced that investors in the ING Diversified Yield Fund (DYF) and ING Regular Income Fund (RIF) will be receiving a proposal in which they can choose to be guaranteed a minimum price in five years time for their units. The five-year price for the DYF is 83 cents per unit and 86 cents per unit for the RIF. This will see most investors receiving the bulk of their investment returned.

The five-year price is based on the amount of money that current investors put in, subtracting their total gross distributions, and dividing that total by the number of units held.

Alternatively, investors who would like access to their money sooner can opt to “cash out” their units for a lower amount equivalent to the guaranteed amount in today’s dollar terms, which is 60 cents per unit for the DYF and 62 cents per unit for the RIF.

The cash out option is based on a net present value calculation of the five-year price, and delivers liquidity to investors who choose this option.

Helen Troup, Chief Executive Officer of ING NZ, said: “Unprecedented market conditions have created this unique situation in which these Funds have been suspended for almost a year. We are now giving investors certainty, choice and equality regardless of how markets perform over the next five years”.

ING NZ believes the proposal recognises that not all investors have the same needs. Investors who can wait for five years will receive the bulk of their initial investment back. Investors who require cash sooner can opt to sell their units for the equivalent amount in today’s dollars.

“We acknowledge there is anxiety among advisers and investors, have listened to the feedback, and believe that this offer underscores our commitment to ensuring the final proposal incorporated their comments,” Ms Troup continued.

ING NZ’s shareholders have committed to underwriting this offer to ensure that most investors will receive the bulk of their initial investment regardless of how markets perform over the next five years. The shareholders will shoulder the market risk, but if markets recover more than anticipated, then the investors will benefit from the upside.

The Funds were suspended as a result of the global credit crisis, which generated a situation where the underlying assets of the Funds could not be accurately priced after the market for structured credit assets virtually disappeared.

Over the past year, ING NZ has sought to find an outcome that recognises not only investors’ expectations, but also the reality of the extreme market conditions. This has been complex to achieve as markets have continued to deteriorate and remain difficult.

The proposal, which is subject to Trustee consideration and approval, will require investors to approve changes to the Trust Deed. The formal proposal will be sent to investors and their advisers in mid-May and a unitholder meeting is currently scheduled for the week commencing 15 June 2009. To ensure investors are able to ask questions directly of ING NZ as the Funds' manager about the choices being offered, ING NZ will be holding briefings in the main centres for advisers and investors in advance of the unitholder meeting.

Additionally, ING NZ is making arrangements to engage an independent third party who will be available for any investor who wants assistance to assess their options.

"This proposal is a positive step forward, ending a difficult twelve months for investors and their advisers," Ms Troup commented.

ENDS

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ING Profile

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 120,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.