

REAL ESTATE INVESTMENT MANAGEMENT

Date

16 August 2010

Fund

ING Real Estate Entertainment Fund

IEF Tenant Update – Icon Hospitality

ING Real Estate Entertainment Fund (“IEF” or “the Fund”) has been advised that its largest tenant by rental income, Icon Hospitality Management Pty Limited (“Icon”) (ACN 079 111 505), has forecast short term cashflow pressures in the fourth quarter of this calendar year.

IEF and Icon’s financiers are working with Icon and have agreed a \$1.2m working capital assistance package for Icon which includes the Fund deferring rent of up to \$600,000 and the financiers capitalising interest up to the next \$600,000, both until 31 December 2010. The Fund and Icon’s financiers have made no commitments past this date when the working capital assistance package must be repaid by Icon. Whilst the Fund and Icon’s financiers are providing a level of assistance there is an increased risk of Icon defaulting under its obligations to the Fund in the period before and after 31 December 2010.

The Fund, the financiers and Icon are reviewing Icon’s operations and management structures and have implemented some reforms which are anticipated to improve Icon’s position.

The Icon group tenants nine of the 47 properties in which the Fund has an interest, all of which are in New South Wales. The rent from these hotels represents approximately 44% of the Fund’s annual lease income. IEF and Icon have been implementing a capital expenditure programme to improve the performance of the Icon venues and some of Icon’s forecast short term cashflow issues are due to trading disruptions as a result of that programme. The capital expenditure programme will be reviewed for the period until 31 December 2010 to determine the impact on the operators cashflow.

IEF will keep the market informed as to progress on this matter.

Rights Issue Implications

As this information may have a bearing on unitholders who have applied for units in the Fund’s renounceable rights issue which closed on 11 August 2010, IEF will permit applicants to withdraw their applications by notifying the Fund before 5.00pm Sydney time on Tuesday 17 August 2010 by calling Link Market Services on 1300 653 497 or from overseas +61 2 8280 7057.



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In light of the Icon information, the underwriters of the rights issue have confirmed their obligations as part of the Underwriting Agreement. Therefore the outcome of the Fund's \$36.4m renounceable rights issue is not affected and remains underwritten. The new units to be issued under the rights issue are expected to commence trading on a normal settlement basis on 20 August 2010.

This notice is given under section 1012DAA(12) of the *Corporations Act* 2001 (Cth) as notionally modified by the Australian Securities and Investments Commission Class Order 08/35.

For further information, please contact

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About ING Real Estate Entertainment Fund

ING Real Estate Entertainment Fund (ASX code: IEF) is an externally managed ASX listed real estate investment trust that invests in the freehold of a diversified portfolio of entertainment and leisure venues. The Fund receives income through long term leases of the licensed real estate to a wide range of experienced operators. IEF has total assets under management of \$330 million with investments located throughout Australia and New Zealand.

About the ING Real Estate Investment Management

ING Real Estate Entertainment Fund is one of five listed real estate investment trusts that are managed by ING Real Estate Investment Management Australia on behalf of 60,000 investors.

Globally, ING Real Estate Investment Management focuses on the investment management of quality real estate in all major global markets with a total portfolio of more than A\$95 billion. ING Real Estate Investment Management is one of the leading investment management companies and serves a broad client base from four continents, Europe, North America and South America, Asia and Australia.

ING Real Estate Investment Management is part of ING Group, 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