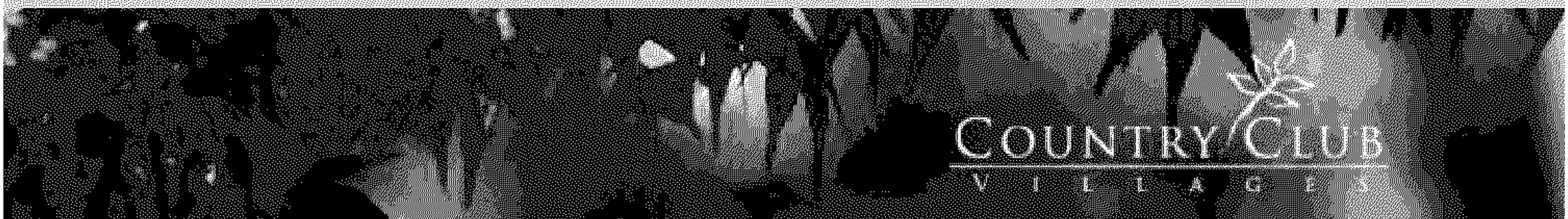
ING REAL ESTATE COMMUNITY LIVING FUND (“ILF”)

Australasian acquisitions



Victoria
UNIVERSITY OF WELLINGTON
Te Whare Wānanga
o te Ūpoko o te Ika a Māui

5 April 2006

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CREATING VALUE

Transaction summary

Entry into the DMF[1] and Australasian student accommodation markets

- **IML is pleased to announce the acquisition of a 30% interest in Country Club Villages ("CCV") an Australian retirement village owner / operator / developer**
  - The 30% interest in CCV to be acquired for A$21.4 million
  - Comprises two mature villages and five development villages
  - CCV provides a partnership with an experienced operator with a quality proven product and substantial development pipeline
- **IML is also pleased to announce the acquisition of three student accommodation properties in New Zealand**
  - The NZ student properties were acquired for NZ$32 million
  - All three properties are located around Victoria University of Wellington ("VUW") and in proximity to the CBD of Wellington
  - Entry into a market that is limited in supply but exhibits strong demand

[1] Deferred Management Fee is an entitlement to receive a cash payment on resale of units within the village

Financial summary

Combined acquisition

Application		A$m
	CCV	NZ students
Purchase price	$21,400,000*	$28,100,000
Acquisition costs	$ 770,000	$ 1,000,000
	$22,170,000	$29,100,000
Total		$51,270,000

Sources		A$m
	CCV	NZ Students
Property debt	-	$21,800,000
ILF local debt	$22,170,000	$ 7,300,000
	$22,170,000	$29,100,000
Total		$51,270,000

- Marginally accretive FY 2007
- Strong accretion FY 2008 onwards
- ILF gearing will increase from 55.4% to 58.7% on a look through basis
- FX Risk on NZ$ fully hedged

* Excludes current debt and $2.1M additional payment when Bellarine site achieves Council approval

Country Club Villages acquisition overview

- ILF to acquire a 30% interest in Country Club Villages ("CCV") the Joint Venture between "Gull" (50%) and "Selkirk" (50%) for A$21.4M*
- CCV is an owner/developer of 'up market' resident funded retirement villages in regional Victoria and Queensland
- CCV offers ILF the opportunity to enter the DMF Retirement Village market with an experienced partner
- CCV will continue maintaining the ongoing day to day management and development responsibilities

* Excludes current debt and $2.1M additional payment when Bellarine site achieves Council approval

Why invest in deferred management fee ("DMF") sector?

- Predominant retirement village model in Australia
- Industry consolidation is opening significant opportunities
- Strong underlying demographics
- DMF assets provide strong recurring cash flows
- Potential to achieve market penetration

Why invest in Country Club Villages?

- CCV has over 10 years industry experience in the development and operation of retirement villages
- Established brand and market presence
- High quality portfolio of assets in excellent locations
- Acquisition terms provide alignment of interests
- Provides platform for future expansion through the acquisition of existing villages and development sites

Asset overview – CCV

Property	Location	Existing (units)	Proposed (units)	TOTAL (units)	Status
Rosebank, Ballarat	VIC	102	18	120	Existing
Geelong Grove	VIC	138	10	148	Existing
Hemsley, Ballarat	VIC	19*	198	216	Under Construction
Noosa	QLD	-	169	169	Under Construction
Coolaroo, Melbourne	VIC	-	107	107	Ready to go
Bacchus Marsh	VIC	-	252	252	Pending DA
Bellarine, Geelong	VIC	-	329	329	Pending DA
TOTAL		**259**	**1,082**	**1,341**	

* Stage 1 under construction

Income overview – CCV

Revenue is received from two primary sources:

- Development profits
  - CCV receives development profit from the ***initial*** sale of a unit or apartment
- Deferred management fees

Financial analysis – CCV

Acquisition price	100% (A$m)	30% (A$m)
Development sites	86	25.8
Existing villages	17	5.1
Development debt	(24.5)	(7.4)
Sub total	**78.5**	**23.5**
Escrow	**7**	**2.1**
TOTAL	**71.5**	**21.4**

Investment returns – CCV

Investment returns	IRR %	Multiple EBIT (ave. 5 years)
Development villages	17.3	4.3 x
Existing villages	13.5	9.0 x
Blended Portfolio IRR	16.7	4.7 x

New Zealand student housing acquisition overview

Strategic fundamentals resulting in low risk proposition

- Acquisition of student accommodation portfolio known as "Unicomm", which comprises 525 beds off campus
- Represents 21% of the bed inventory for VUW, the fastest growing university in NZ
- Acquisition price NZ $32 provides a property yield of c. 10%
- 3 buildings located in Wellington CBD within 15 minutes walk to the VUW campus

New Zealand student housing

Risk mitigated by experienced operator and strong demand

- Shortfall in VUW student accommodation in January 2006 was circa 500 students beds
- VUW student enrolment growth 2002 – 2004 CAGR 7.6%
- Student income underwritten at 90% occupancy by agreement with VUW for 38 weeks of the year
- Risk reduced by pre-payment of rents, bonds and parental guarantees
- Campus Living Villages ("CLV") will operate the portfolio
- CLV currently operate student accommodation at a number of major Australasian universities
- Summer holiday revenue from backpackers, language schools, tour and sporting groups

New Zealand student housing

Asset overview

Property	Apartments	Beds	Walk time to campus	Last refurbishment	Occupancy term time (38 weeks)	Colliers valuation (NZ$m)	Yield %
Cumberland House	191	215	10 – 15 mins	2000	100%	15.5	10.0
McKenzies Apartments	63	202	10 – 15 mins	1998	100%	12.0	10.0
Education House	108	108	10 mins	2002	100%	6.4	9.25
TOTAL	362	525				33.9	

- Purchase Price agreed at NZ $32m which is 5.7% discount to valuation
- Vendor earn-out payment equal to 50% of GOP over agreed threshold capped at 10% in Year 1 and 2, up to a max of NZ $3m

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Thank you and questions

- A copy of this presentation is available at **www.ingrealestate.com.au/investment**