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ASX Announcement
ING Real Estate Community Living Fund ("ILF")

23 August 2006

Results for full year ended 30 June 2006

ING Management Limited, Responsible Entity of the ING Real Estate Community Living Fund ("ILF" or "the Fund") is pleased to announce the Fund's results for the year ended 30 June 2006.

The results for the period reflect the impact of the new Australian International Financial Reporting Standards ("AIFRS") for the first full year. Net profit under AIFRS was $40.3 million, which includes unrealised gains on investment property and financial instruments.

Distributable income (which excludes the impact of AIFRS) was $16.2 million compared with $4.4 million for the previous year.

Commenting on the results, Mr Ian Muir CEO – ING Real Estate Community Living Fund said, "FY06 has been a year of diversification, performance and growth for ILF. We have been very successful in implementing our strategy for the Fund which we announced to the market in July 2005."

Highlights of the year included:

Performance

- Outperformed the IPO forecast of 8.5 cents for FY06 by 15.1%
- Increased the DPU from 8.25 cents in FY05 to 9.78 cents in FY06 which reflects year on year growth of 18.5%
- 41.9% increase in unit price from $0.81 in June 2005 to $1.15 in June 2006
- Net Tangible Assets (NTA) increased from $0.93 to $1.13 per unit

Diversification

- ILF has been diversified from a small fund focused on affordable rental accommodation for Seniors in Australia, operated by one operator to a broad based community living fund invested in both Seniors housing and Student housing in Australia, New Zealand and the United States.
- On listing in June 2004, the Fund comprised 10 completed villages, 12 non-completed villages, and 7 managers units in Australia.

- As at August 2006, ILF had 35 completed retirement villages in Australia, 8 manager units,12 development sites around Australia, 21 seniors communities in the United States, 22 student apartment complexes in the United States and 3 student hostels in New Zealand.

- In Australia ILF has three operators including Village Life, SunnyCove and Country Club Villages. In the United States, there are three US student operator/managers and Horizon Bay Chartwell, which operates the twenty-one US seniors communities. In New Zealand, Campus Living operates three hostels.

- ILF is invested into both the rental and deferred management fee sectors of the seniors housing market.

Development

- Four villages were constructed and opened in Australia over the period to 30 June 2006, during which time the Australian portfolio occupancy was increased from 62 to 82%.

- Three further Australian villages have been completed since year end, two operated by village Life and one by SunnyCove.

- There are a total 12 sites in Australia available for further development. These include seven Country Club Sites, two SunnyCove sites and two Village Life sites.

- The US Seniors portfolio includes spare land in five locations with potential for development of 450 units.

- The US Students portfolio includes two development sites in Connecticut.

Revaluations

- The Fund's property portfolio was revalued upwards by A$35.5m during the year, A$31m of the uplift came from US seniors, A$4m from US students and the remaining A$0.5m from Australian seniors.

- Net tangible assets per unit increased by 20 cents or 21.5% to $1.13.

Acquisitions

- Increased total assets from A$121m to $885m over the 12 month period.

- Acquired a 49% interest in 21 Seniors Housing communities in the United States in five separate transactions.

- Acquired 22 student housing apartment complexes in three US states.

- Joint acquisition of three Student Hostels in Wellington New Zealand in conjunction with ING for NZ$32m.

- Settled the joint acquisition of a 30% interest in Country Club Villages, a portfolio of seven retirement village sites in Victoria and Queensland, three of which are operational.

- Acquired two rental villages, Village Life Swanview and SunnyCove Forest Lake.

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Outlook and strategy

"Asset ownership is very fragmented for Seniors and Student housing in the three countries which ILF is currently invested in. Our strategy is to continue to use our joint venture partnerships to facilitate strategic acquisitions that add value for the fund", said Mr Muir. These partnerships will also help ILF achieve economies of scale and superior returns in respect to the existing assets.

"Management's focus is to continue to improve the Fund's earnings and deliver sustainable distribution growth of 5%p/a over the medium to long term" said Mr Muir.

Management's key strategies for 2007 include the following:

- Active asset management to enhance rental growth opportunities
- Geographic diversification into key markets where value enhancing
- Further development of the existing sites

About ING Real Estate Community Living Fund

ING Real Estate Community Living Fund is a publicly traded property trust (REIT) on the Australian Stock Exchange which is yet to qualify for Index inclusion. The Fund invests in seniors and student housing in Australia, the United States and New Zealand and has total assets in excess of approximately A$885 million. The portfolio consists of a 72% weighting to the United States, 25% to Australia and 3% to New Zealand. The Fund also has a mandate to invest in Aged Care, Defence Housing and Child care.

About ING Real Estate

ING Real Estate is an international real estate company active in investment management, development and finance. With a total business portfolio of A$115 billion and offices in 17 countries in Europe, America, Asia and Australia, ING Real Estate ranks among the world's strongest real estate companies.

ING Real Estate is part of ING Group, a global financial institution of Dutch origin offering banking, insurance and asset management to over 60 million private, corporate and institutional clients in more than 50 countries.

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