REAL ESTATE

ASX ANNOUNCEMENT
ING REAL ESTATE COMMUNITY LIVING GROUP (ILF)
28 August 2008

FY09 – THE YEAR OF CONSOLIDATION

ING Real Estate Community Living Group ("ILF" or "the Fund"), today announced distributable income of $46.6 million for the 12 months ended 30 June 2008, equating to 10.7 cents per stapled security.

Announcing the results, CEO Ian Muir said, "The Fund did not achieve its earnings growth target for 2008 due to the significant underperformance of its US student portfolio. The underperformance overshadowed a respectable contribution from the US Seniors portfolio which delivered above average occupancies in a difficult market, and a pleasing result from the Fund's Settlers portfolio which benefited from particularly strong sales out of its Western Australian development pipeline."

RESULTS SUMMARY

- Distributable income increased by 36% to $46.6 million from $34.4 million in the previous corresponding period (pcp).
- Distributable income per unit remained constant at 10.7 cents.
- Distributions per unit increased by 2.8%.
- Net Tangible Assets decreased from $1.13 to $0.94 over the six month period.
- Gearing (on a look through basis) increased to 57% from 54% at 31 December 2007.

PROPERTY PORTFOLIOS

The US Seniors portfolio, representing 49% of the Fund's assets, achieved a weighted average portfolio occupancy of 93.6% for FY08, compared to 91.9% for the previous year. On a same facility basis net operating income grew by 3.1%. Given the declining economic conditions and widespread falls in US residential markets this was a very credible result. The strong performance is attributable to the portfolio's diversified geographic spread and the continuum of care offered at many of our communities.

Re-positioning strategies in FY08 have also assisted our communities in regions experiencing a deepening economic downturn such as Florida.

The Fund's US Student portfolio in Connecticut has experienced a decline in occupancy and margin pressure due to rising operating costs. However, the Florida and Virginia assets have both enjoyed strong occupancies in FY08.

The Canadian long term care operations have continued to experience strong occupancies (circa 99%) with waiting lists.

The Australian Seniors portfolio has experienced mixed results across the geographic locations. Our Western Australian based Settlers portfolio has continued to achieve strong sales, together with some of the regional Victoria villages within the Country Club Villages portfolio. Occupancies in the former Village Life portfolio experienced a significant decline in early 2008 and this will impact FY09 earnings. Management of the portfolio will be taken in-house from 30 September 2008.

Commenting on the former Village Life portfolio Mr Muir said "The rebranding of the portfolio to "Garden Villages" is now complete and an extensive marketing programme to seniors is underway. The Fund has the infrastructure in place and the experience and commitment to restore occupancy to former levels and beyond. "

Revaluations of the Fund's property portfolios resulted in decreases ranging between 8.9% and 13.1%. Hardest hit was the Village Life portfolio reflecting the reduction in occupancy and the US Student portfolio reflecting lower occupancies and higher operating costs.

OUTLOOK

FY09 earnings guidance is forecast at 9.4 cents, a 12% reduction on FY08. The reduction in earnings is primarily due to the impact of the expiry/termination of the Village Life masterleases, with income dropping to reflect the underlying occupancy.

Commenting on the earnings forecast Mr Muir said "We view the earnings guidance of 9.4 cents as a base from which to grow. Increase in occupancy at Garden Villages, internal growth projects in the Fund's North American Seniors portfolios and the roll-out of the Fund's development pipeline are some of the opportunities to deliver this growth."

The Fund has reset its distributions for FY09 to 6.0 cents to reflect cash flow from the rental portfolios after allowance for recurring capital expenditure. Cash flow from the Retirement Village development and deferred management fee activities will be used to repay debt or fund future internal growth projects.

Mr Hugh Thomson, CEO of ING Real Estate Investment Management Australia concluded "We see FY09 as a year of consolidation and when the markets recover, the Fund will be in a position to deliver good growth in the 2010 financial year".

-END-

About ING Real Estate Community Living Group

ING Real Estate Community Living Group is a publicly traded property trust (REIT) on the Australian Securities Exchange which invests in seniors and student housing in Australia, Canada, New Zealand and the United States and has total assets in excess of approximately A$1.2 billion. The portfolio consists of a 62% weighting to the United States, 25% to Australia, 11% to Canada and 2% to New Zealand.

About ING Real Estate

ING Real Estate is an integrated real estate group focused on investment management, development and financing of quality real estate in all major global markets with a total portfolio of over A$170 billion. ING Real Estate ranks among the world's leading real estate companies and serves a broad client base from offices in 21 countries in Europe, North America, Asia and Australia.

ING Real Estate is part of ING group, a global financial institution of Dutch origin offering banking, insurance and asset management to over 75 million private, corporate and institutional clients in more than 50 countries.

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ING Real Estate Community Living Group Annual Results

30 June 2008

Sydney - 28 August 2008
www.ingrealestate.com.au

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Introduction

Key issues to be addressed

- ►Funding and gearing
- ►Occupancy at Garden Villages
- ►US Student Portfolio

Key data

	June 2008	June 2007
Distributable income	$46.6m	$34.4m
Distributable income per unit	10.7 cents	10.7 cents
Distributions per unit	11.0 cents	10.7 cents
Tax deferred component	86%	96%
Gearing (look through)	57%	54%
Net asset value per unit	$0.94	$1.22

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2008 Financial performance

Distributable income $m	2008	2007	Movement
AUS Seniors	25.3	15.3	10.0
US Seniors	22.2	17.8	4.4
CAD Seniors	5.6	-	5.6
Students	4.4	8.4	(4.0)
Net finance costs	(6.2)	(5.8)	(0.4)
Management fee and admin	(4.7)	(1.3)	(3.4)
Distributable income	46.6	34.4	12.2

- Underperformance of students driven by lower occupancy and higher operating expenses
- Reconciliation to prior guidance of 11.0 cpu

Distributable income guidance	$48.0m
– change in accounting treatment for Canadian seniors OTM debt	($0.9m)
– lower capitalisation of interest	($0.5m)
Distributable income result for 2008	**$46.6m**

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Revaluations

87% of portfolio valued independently at 30 June 08

	31 Dec 07 Cap Rate	30 Jun 08 Cap Rate*	30 Jun 08 Valuations A$m^	Valuation movement A$m	Valuation movement
Garden Villages	7.6%	7.9%	164.6	(16.1)	(8.9%)
Canadian Seniors	7.0%	7.5%	119.5	(10.9)	(8.4%)
US Seniors	6.4%	6.5%	550.0	(19.0)	(3.3%)
US Students	6.5%	6.8%	138.9	(20.9)	(13.1%)

* Weighted average ^ ILF’s interest

Debt in perspective

Portfolio	Assets ^	Debt	Net Assets	NTA $
Australian direct investment #	270	142	128	0.29
US Seniors *	516	361	155	0.35
Canadian Seniors *	103	73	30	0.07
Students	177	114	63	0.14
Australian DMF joint ventures *	70	31	39	0.09
Total	1,136	721	415	0.94

* represents ILF's ownership interest

Garden Villages and Settlers portfolios

^ assets net of other liabilities

Borrowings

Debt pools	Facility Type	Portfolio debt A$m	Maturity < 2 years	Maturity > 2 years
Head trust facility	Bank loan; security includes mortgages over Garden Villages and Settlers portfolios	142	142	
Portfolio debt pools				
US Seniors	9 facilities secured against individual or groups of properties. Terms range between 4 - 12 yrs	352		352
	Working capital facility, callable with 120 days notice	9	9	
Canadian Seniors	8 facilities secured against individual properties. Terms range between 13 – 25 yrs	73		73
Students	US: 14 facilities secured against individual or groups of properties. Terms range between 4 - 31 years	99		99
	NZ: bank loan maturing May 09	15	15	
DMF JV	Development funding	31	31	
Total		721	197	524

- Portfolio debt pools are quarantined to the assets within each portfolio
- Minimal financial covenants within the >2yr maturities

Head Trust facility

- $146m facility limit, drawn to $142m
- Expiry Dec 2009
- Security: mortgages over the Garden Villages and Settlers portfolios and the Head Trust's investment into its subsidiaries and JVs

Financial covenants	Position	Covenant
– LVR	58.6%	65.0% - 50.0% ^
– Interest cover	3.3x	2.5x
– Gearing#	21.1%	55.0%

calculated on borrowing group

^ 65% of completed rental villages, 50% of DMF and non-completed villages/ development land

Capital management – hedging

- 93% of borrowings fixed rate for average duration of 10 years
- Income from foreign assets hedged for 4+ years
- Foreign assets carrying values hedged with foreign debt and cross currency swaps

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Capital management - gearing

- Current look through gearing 57%
- 2 year target to reduce gearing to < 50%
  - ►Sales of US Students (Virginia and Florida) reduce gearing by 2%*
  - ►Future opportunities to reduce gearing
    - ►Sale of students (US and NZ) 3.5%*
    - ►Sale of CCV 2%*
    - ►Roll off of Settlers and Oak Tree pipeline

* assumes sales price equals carrying value

Funding outlook

- Operational activities to be self funding
- Cash on hand to fund investment commitments to 30 June 2009

Oak Tree equity contributions	$4m
Bristal portfolio acquisition deferred payment	$5m
Other	$5m
Total funding requirements	**$14m**

- Repayment of US working capital facility from sale of US Students (Virginia & Florida)

2009 Forecast performance

Geared portfolio returns	2008 Actual	2009 Forecast	Variance
Australian direct investment	18.7	10.0	Impact of master lease roll-off $6.7m
US Seniors	22.2	24.2	2% NOI growth*
Canadian Seniors	5.6	5.6	No growth
Students	4.4	4.4	No growth
DMF JVs	0.3	1.7	New projects coming on-line
Admin	(4.7)	(4.4)	
Net profit	46.6	41.5	
EPU	10.7 cents	9.4 cents	

* after adjustment for one-off expense in 2008

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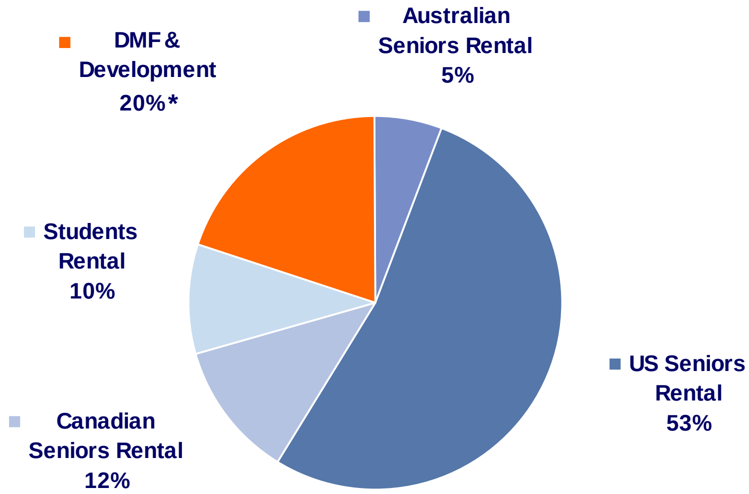
Contributions to 2009 earnings

By activity



- Rental portfolios contribute a minimum of 80%

*Assumed investment 100% funded by equity

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Earnings growth outlook

FY10

- Garden Villages occupancy (2% increase = 0.1¢ epu)
- US Seniors – Internal growth projects come online (Gayton Terrace & Lynbrook)
- Oak Tree sales pipeline

FY11

- Internal growth projects
  - ► US Seniors: Temple, Arvada
  - ► Canadian Seniors: Oakville, Kitchener, Markham
- Maturing DMF book
  - ► Meadow Springs, Meadow Gardens, Hemsley, Lakeside
- CCV sales pipeline

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2009 Forecast distributions

	A$m	EPU cents
Earnings	41.5	9.4
Non-cash items	(1.5)	(0.3)
Capitalised interest	(1.7)	(0.4)
Allowance for recurring capital expenditure	(2.7)	(0.6)
Development and DMF profit	(9.1)	(2.1)
Distributions	**26.5**	**6.0**
Payout ratio (distributions/earnings)		64%

- Distribution reset to cash flow from rental portfolio after allowance for recurring capital expenditure
- Cash flow from development and DMF activities to reduce gearing or fund further developments/internal growth projects

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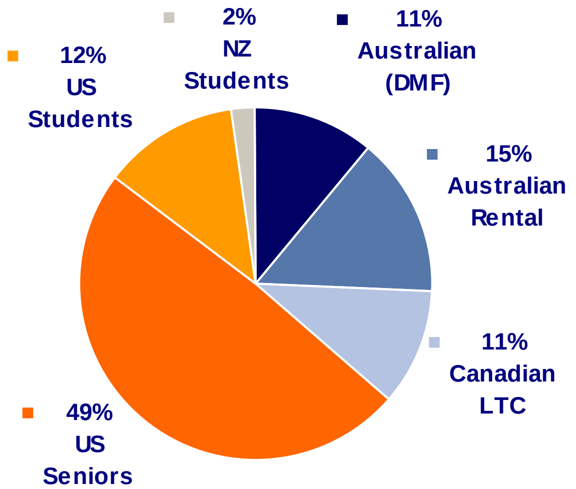
Portfolio update

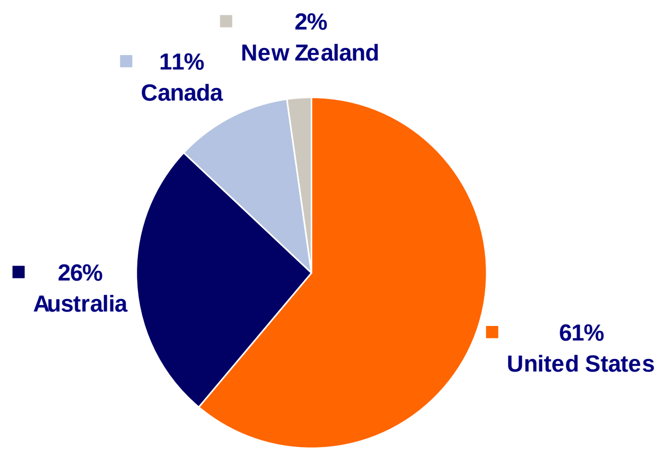
Diversified portfolio

- Not heavily exposed to one location, economy or financial model
- Total US exposure of 61% is spread across 12 states
- US Seniors platform has 63% exposure to Independent Living, 34% to Assisted Living and 3% to Skilled Nursing
- Most importantly approximately 80% of the Fund's income is derived from the rental model

Asset diversification by value (A$m)



Geographical diversification by value (A$m)



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US Seniors – strong FY08 performance

Year	Occupancy	NOI	Margin
FY08	93.6%	US$32.5m	39%
FY09 (f)	92.5%	US$33.9m	37%

- FY08 revenue growth 4.1%* - increase in occupancy from 91.9% to 93.6%
- FY08 NOI growth 3.1%*
- FY09 forecast softening in occupancy and higher incentives/marketing costs
- Appropriate initiatives to combat the potential market softness have been introduced

*calculated on a like for like basis

US Seniors – developments on track

Address	Project cost	Spent to date	Description
Gayton Terrace Richmond, VA	US$22.1m	US$4.6m	4 storey addition of 98 ILUs
Lynbrook Long Island, NY	US$5.5m	US$1.7m	Repositioning refurbishment of existing 120 units

- Gayton Terrace due for completion in May 2009
- Lynbrook due for completion in March 2009
- Equity portion already spent, cost left to spend will be debt funded (committed facilities)
- Reviewing potential to undertake extensions at Arvada Meridian, Colorado and Temple Meridian, Texas

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US Students - challenging FY09 pre-leasing

Year	Occupancy	NOI	Margin
FY08	89%	US$8.0m	46%
FY09 (f)	89%	US$7.2m	42%

- The FY08 performance was marred by poor leasing in Connecticut and increased operating costs
- Pre-leasing for the FY09 year has also been challenging as UConn has increased its on-campus offerings
- FY09 forecast – room rate increases offset by higher operating costs

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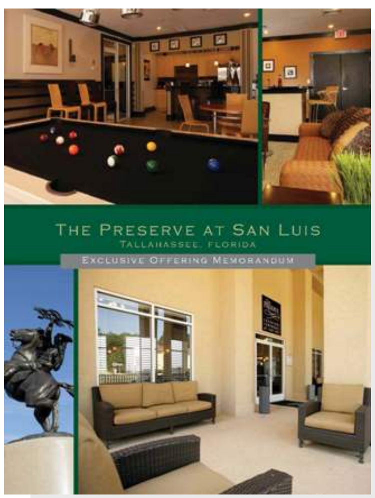
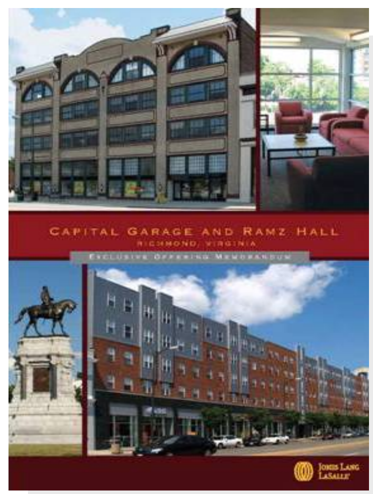
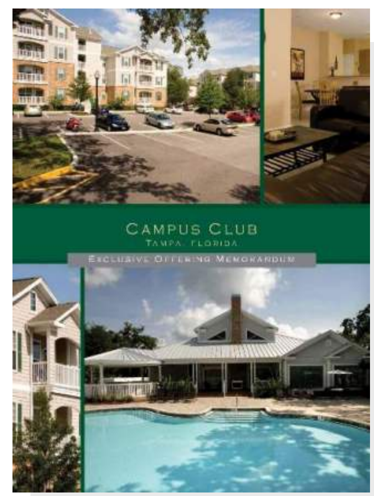
US Students - sales update

- Jones Lang LaSalle appointed to sell 2 Virginia & 2 Florida assets – BV US$57.8m
- Numerous expressions of interest received to date
- Settlement expected before end December 2008
- Use of proceeds: repay existing mortgage debt & repay US Seniors working capital facility







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Canadian Seniors

Year	Occupancy	NOI	Margin
FY08	99.3%	CAD$8.8 m	19.6%
FY09 (f)	99.4%	CAD$8.7m	19.5%

- Current waiting list of 50 -100% of beds
- Planning approval for 3 adjoining sites being sought, impact FY11

Australian Seniors Rental

Year	Occupancy	NOI	Margin
FY08	100%	$15.9m	n/a
FY09 (f)	69%	$9.2m	43%

- Income to reduce following expiry/termination of master leases
- ILF to take over management from 30 Sept 2008 and drive occupancy upwards
- Current occupancy 66% (1% increase = $200k NOI)
- Forecast FY09 to reach 72% by 30 June 2009

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Australian Seniors Rental – new management

- ILF's management infrastructure now in place
- Transition to ILF complete by 30 September 2008
- Occupancy to be driven by:
  - ► Rebranding to Garden Villages
  - ► Regional management support
    - ► Dedicated to ILF's assets
    - ► Manager to Village ratio increased
    - ► Village manager retention
  - ► Targeted local marketing program

GARDEN
VILLAGES
...bringing more life to community living

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Australian Seniors – Settlers portfolio

Year	DMF	Development	Total
FY08	$5.3m	$6.1m	$11.4m
FY09 (f)	$5.5m	$4.7m	$10.2m

- FY08 strong sales at Ridgewood – total 74 sales across portfolio
- FY09 strong sales performance expected to continue

Year	Number of Sales & Gross Revenue		
	Ridgewood	Lakeside	Meadow Springs
FY08	51 $17.8m	20 $5.1m	3 $860k
FY09	48 $18.9m	17 $5.6m	4 $1.2m

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Australian Seniors – Joint Ventures

Year	Contribution
FY08	$0.3m
FY09 (f)	$1.7m

Country Club Villages

- FY08 highlights:
  - 21 Sales at Hemsley Park, Ballarat, VIC
  - Development consents at Rockhamption & Bendigo
- FY09 outlook:
  - Projects at Noosa Stage One completion (Oct 08)

Oak Tree

- FY08 planning approvals Cairns & Orange
- FY09 outlook completion Boronia & Frankston (Oct/Nov 08) and Cairns Stage One (Feb 09)

Market outlook

Australian Retirement Villages

- ► Slower sales rates resulting from softening residential market in some areas, but supply still expected to lag behind demand in medium term.

Australian Seniors Rental

- ► Virtually no new supply to meet ongoing demand.

US Seniors

- ► Fall in residential market and wider economic downturn to result in softer occupancy. Tight credit market limiting new supply.

Canadian Seniors

- ► Residential market downturn impacting demand in broader seniors housing market. However, strong growth in over 80's segment driving continued demand for long term care.

Fund strategy

- Build occupancy in the Australian Rental portfolio
- Maximize new sales activity in the Australian Retirement Villages under development
- Active management of US Seniors portfolio to maintain occupancy
- Debt reduction: complete the sales of the 4 student assets in Virginia & Florida
- Continue roll-out of development pipeline, but at more moderate pace, funded from development sales

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Summary

- Garden Villages – infrastructure and commitment to restore occupancy back to 85%
- US Students – intensive management, including repositioning/ exit of non-performers
- Funding – sufficient resources for operational investment/development activities
- Gearing – reduction underway through US Student sales
- FY09 earnings forecast of 9.4 cpu – a base from which to grow

Appendices

Appendices

Content

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1 - Results by portfolio

	2008 (A$m)	2009 (A$m)
Australian Seniors		
Settlers DMF/ Development	9.0	7.9
GV Rental	15.9	9.2
Interest Expense	(6.2)	(7.1)
Total Australian Direct Seniors	18.7	10.0
JV DMF/ Development	0.3	1.7
Total Australian Seniors	19.0	11.7
US Seniors		
NOI	33.8	35.2
Profit	22.2	24.2
Canadian Seniors		
NOI	8.9	8.9
Profit	5.6	5.6
Students		
NOI	10.3	10.2
Profit	4.4	4.4
Admin and RE fees	(4.7)	(4.4)
Total Profits	46.5	41.5

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2 - Reconciliation of net profit to distribution income

	30 June 2008 A$m
Net profit for the year	(43.0)
Adjusted for:	
– Change in fair value of assets (net of resident loans)	95.4
– Change in fair value of derivatives	(15.5)
– Impairment loss on equity accounted investment	3.1
– Discount on deferred purchase consideration	1.8
– Borrowing costs amortisation returned	0.3
– Deferred income tax expense	4.5
	46.6

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3 - Gearing (headline to look through)

	30 June 2008 A$m
Headline gearing	29.2%
Total assets headline*	879
Less: Equity accounted investments	(267)
Add: ILF share of associates assets	765
Less: Resident loan liabilities ^	(139)
Restated total assets look through	1,238
Total net debt headline #	248
Add: Share of associates debt	458
Restated total debt look through	706
	57%

* net of cash

inclusive of cash

^ includes look through resident loan liabilities

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4 - Look through balance sheet - 30 June 2008

	Australian Direct	US Seniors	Students	Canadian Seniors	DMF JV	Total
Cash	26.0	7.0	2.0	-	-	35.0
Receiveables	10.0	-	6.0	-	-	16.0
Derivatives	27.0	-	-	-	-	27.0
Other assets	243.0	569.0	169.0	123.0	71.0	1,175.0
Total assets	306.0	576.0	177.0	123.0	71.0	1,253.0
Total debt	142.0	368.0	114.0	86.0	31.0	741.0
Other liabilities	36.0	52.0	-	7.0	1.0	96.0
Net assets	128.0	156.0	63.0	30.0	39.0	416.0
Net assets per unit	0.29	0.35	0.14	0.07	0.09	0.94
Assets less cash and equivalents	280.0	589.0	175.0	123.0	71.0	1,238.0
Loans less cash	121.0	355.0	114.0	85.0	31.0	706.0
Look-through gearing	43%	60%	65%	69%	44%	57%

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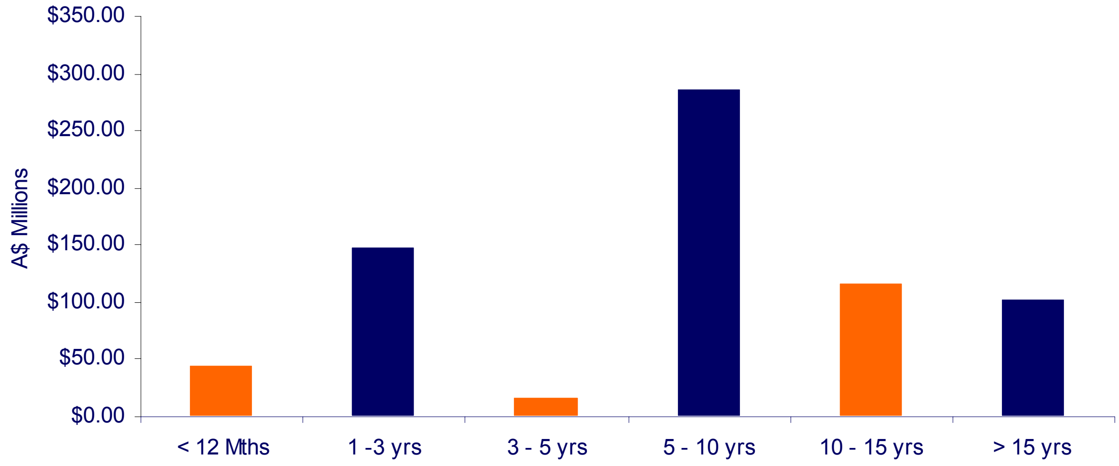
5 - Debt maturity profile

- Long dated maturity – weighted average 9yrs
- 6% maturing in the next 12 months

Drawn facility A$m



6 - Portfolio debt characteristics

US Seniors

- 6 term facilities - each facility is secured against one or a pool of properties
- Facilities are stand alone with no cross collateralisation between themselves or outside of the US Seniors portfolio
- Terms between 4 and 34 years, weighted average is 10.6yrs
- All fixed rate with average interest cost of 6.1%
- Amortisation on all loans commencing between 2007 to 2010

•All loans fully drawn, with exception of development funding for Gayton Terrace, USD8.7m undrawn (ILF share), sufficient to complete project

- No financial covenants which could lead to acceleration of the loans.
- Loans are now part of securitised loan pools
- Working capital facility – USD$20m facility drawn to USD$9.1m as at 30 June 2008, callable with 120 days notice, unsecured
- 3 financial covenants tested on aggregated US Students & Seniors:
  - Minimum NTA USD$50m, current position USD$229m
  - DSCR ratio 1.3 times, current position 3.4x
  - Debt to NTA 2.5 times, current position 2.0x

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6- Portfolio debt characteristics (cont'd)

US Students

- 14 facilities -each facility is secured against one or a pool of properties
- Facilities are stand alone with no cross collateralisation between themselves or outside of the US Students portfolio
- Terms between 3.5 and 30.5 years, weighted average is 11.4yrs
- All fixed rate average interest cost 5.9%
- Amortisation on all loans commencing between acquisition and 2011
- 1 of the 14 loans have financial covenants:
    - ► Hunting Lodge loan value USD$2.3m: LVR covenant <80%, current position 29.7%
    - ► DSCR ratio > 1.2 x, current position 2.2 x
    - ► Majority of loans have been packaged up into securitised loan pools

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6 - Portfolio debt characteristics (cont'd)

Canadian Seniors

- 8 facilities secured against individual properties
- Facilities are stand alone with no cross collateralisation between themselves or outside the Canadian portfolio
- Terms between 14 and 25yrs, weighted average is 19yrs
- All fixed rate with average interest cost 5.7%
- All loans are fully drawn
- All are amortising and have no financial covenants which could lead to the acceleration of the loan

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6 - Portfolio debt characteristics (cont'd)

NZ Students

- 1 facility secured against 3 properties
- Maturity 30 May 2009
- Financial Covenants
    - ►LVR < 65%, current position 57%
    - ►Interest cover ratio 1.5x, current position 1.5x

6 - Portfolio debt characteristics (cont'd)

JV Development debt

- 5 development facilities (3 Oak Tree & 2 CCV)
- Facilities are short term in nature
- Draw down linked to development spend
- Repayments linked to sales

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7 - Hedging profile

Interest rate hedging	Forecast Jun-09	Forecast Jun-10	Forecast Jun-11	Forecast Jun-12	Forecast Jun-13
AUD	103%	104%	0% #	0%	0%
USD	98%	98%	98%	98%	98%
CAD	100%	100%	100%	100%	100%
AUD hedged rate*	6.55%	6.55%	6.55% #	-	-
USD hedged rate*	5.98%	5.99%	5.99%	5.99%	6.00%
CAD hedged rate*	5.73%	5.73%	5.73%	5.73%	5.73%

* base rate, excludes margins

expires May 2011

7 - Hedging profile (cont'd)

Income Hedging	Forecast Jun-09	Forecast Jun-10	Forecast Jun-11	Forecast Jun-12	Forecast Jun-13
USD	110%	106%	105%	100%	83%
CAD	115%	113%	111%	104%	101%
NZD	98%	123%	111%	105%	102%
USD hedged rate	0.7606	0.7606	0.7606	0.7606	0.7606
CAD hedged rate	0.8693	0.8693	0.8693	0.8693	0.8693
NZD hedged rate	1.2360	1.1964	1.1837	1.1790	1.1790

Balance Sheet Hedging as at 30 Jun-08

Currency	Net equity	Hedged	% hedged asset value	Ave. term in yrs from Jun 08
USD	229.1	236.2	103%	3.4
CAD	45.5 ^	41.9	92%	4.3

^ excludes out of the money debt

8 - Development pipeline 2009 - 2017

	Seniors	Students
Units existing	8,766	1,768
Units in development pipeline	3,207	-
Total units	11,973	1,768

	Seniors				Students		
	Aus	**US**	**Canada**	**Total**	**NZ**	**US**	**Total**
Existing	2,965	4,622	1,179	8,766	362	1,406	1,768
Development pipeline	2,294	513	400	3,207	0	0	0
Total units	5,259	5,135	1,579	11,973	362	1,528	1,890
ILF share of total	**3,600**	**2,516**	**790**	**6,906**	**362**	**1,528**	**1,890**

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9 - Projects underway

Summary of current projects

Portfolio	Property	State	ILF's expenditure 30 June 2008	ILF's costs committed June 2009	Total costs spent/committed 2008/2009	Source of funds	Estimated completion date
Country Club	Hemsley Park (Stage 3)	VIC	$1,876,000	$0	$1,876,000	JV Debt	2013
	Noosa Domain (Stage 1)	QLD	$5,470,000	$750,000	$6,220,000	JV Debt	2012
	Melbavale (Stage 1)	VIC	$1,870,000	$400,000	$2,247,000	JV Debt	2013
	Meadow Gardens (Stage 1)	VIC	$1,120,000	$500,000	$1,620,000	JV Debt	2012
Settlers	Ridgewood Rise (Stage 3,4,5,6,7)	WA	$21,000,000	$7,500,000	$28,500,000	Turnkey	2010
	Meadow Springs (Refurbishments)	WA	$330,000	$170,000	$500,000	Sales	2009
	Lakeside (Balance of Stage 4)	WA	$6,716,000	$0	$6,716,000	Sales	2008
Oak Tree	Boronia	QLD	$2,850,000	$4,150,000	$7,000,000	JV Debt	2008
	Frankston	VIC	$2,450,000	$4,150,000	$6,600,000	JV Debt	2008
	Cairns (Stage 1)	QLD	$4,100,000	$7,750,000	$11,850,000	Debt & Equity	2009
US Seniors	Gayton Terrace (Stage 2 & Expansion of existing facility)	WA	$2,305,000	$8,760,000	$11,065,000	Existing JV Debt Structure	2009
	Lynbrook (Refurbishment)	NY	$1,690,000	$3,060,000	$4,750,000	Debt	2009
Total			**$51,777,000**	**$37,190, 000**	**$88,944,000**		

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10 - 2008 DMF resales activity

Portfolio	Property	Number of sales	DMF cash receipts $'000
Country Club			
	Rosebank	10	$563
	Geelong Grove	5	$231
	Meadow gardens	2	$57
	Hemsley Park	1	$41
Settlers			
	Meadow Springs	3	$121
	Lakeside Ravenswood	4	$591
	Noyea Riverside	13	$488
Total		**38**	**$2,092**
ILF Share			$1,441
DMF accounting income (ILF share)			$6,747

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11 - Garden Villages – a fresh start

Key differences in marketing the portfolio

- **New brand**
  - ▸ Provides foundation to shift perceptions of residents (both current and prospective) associated with previous operators
- **Regular Open Days to each village**
  - ▸ Initial launch achieved an average of 45 new visitors to each village
  - ▸ Rigorous follow up strategy support by Service Centre, RM's VM's
- **Strong local area marketing**
  - ▸ Dedicated Marketing Manager
  - ▸ Localised marketing plans instead of off the self program
- **Advertising in targeted national publications**
  - ▸ Centre Link July placement generated 650 calls to service centre

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11 - Garden Villages - a fresh start (cont'd)

Garden Villages operational plan

- Garden Village Service Centre
  - 15 Staff
  - Operations Team → Ops Manager, HR, Catering
  - Service Team → Property, Marketing, Compliance, Accounts
- Field Staff
  - 5 Regional Managers & 35 Village Managers
  - Ratio of 6 to 9 villages per Regional Manager
- Additional capacity for further villages
- Greater flexibility to innovate
- Greater focus and consistent approach

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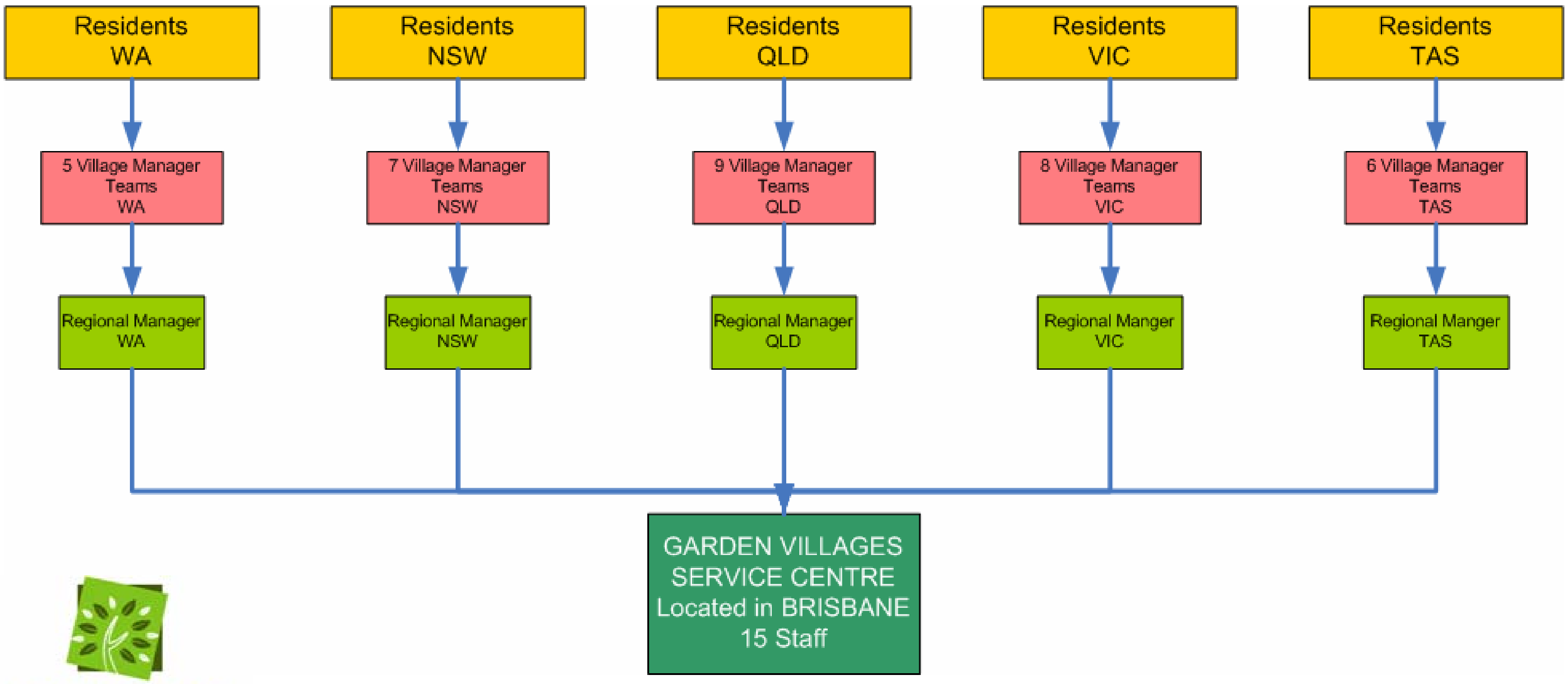
11 - Garden Villages - a fresh start (cont'd)

Garden Villages organisational chart



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11 - Garden Villages - a fresh start (cont'd)

- Cost impact of direct management
  - ►Cost structure recouped with 2.5% increase in occupancy
  - ►Cost structure equalises at circa 84%

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12 - Garden Villages - forecast

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