ING Real Estate Community Living Group

Investor Presentation

AUSTRALIA

24 MARCH 2010

REAL ESTATE INVESTMENT MANAGEMENT

ING

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Agenda

Fund overview

ILF
Total look through assets: $825m

CORE OPERATIONS

Settlers Lifestyle
> Australian DMF portfolio
> 100% ILF ownership
> 4 assets, primarily located in WA

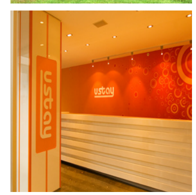
Garden Villages
> Australian Rental portfolio
> 100% ILF ownership
> 34 assets across Australia

US Seniors Portfolio
> JV with a leading seniors housing REIT
> 49% ILF ownership of 20 assets (100% of Lynbrook)
> 21 assets across 10 states, managed by US operators

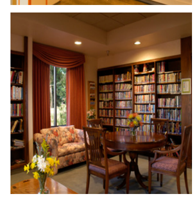
Note: All figures as at 31 December 2009

EXITING OPERATIONS – IN PROGRESS

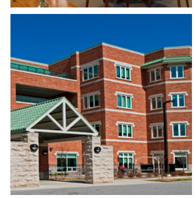
US Students Portfolio
> Announced withdrawal of 17 assets in Nov 09
> Expected completion 1H FY2011



NZ Students Portfolio
> 3 assets in Wellington
> New divestment campaign to commence



Meridian Portfolio
> US Seniors portfolio of 6 assets in Colorado & Texas
> Expected settlement April 2010



Regency Portfolio
> Canadian Seniors portfolio of 8 assets in Ontario
> Expected settlement April 2010

Key financials

Residents at Settlers Noyea Riverside, Mount Warren Park, QLD

Key financials metrics

Results summary	31 Dec 2009	31 Dec 2008
Statutory profit/loss – $m	(51.6)	(242.4)
Operating income – $m	10.7	15.0
Operating income per unit – cents	2.4	3.4
Net tangible assets per unit (NTA) – cents	0.26	0.55

> The six months to December 2009 was a challenging period.

> New management is now focused on improving operational results having achieved initial stabilisation of the business.

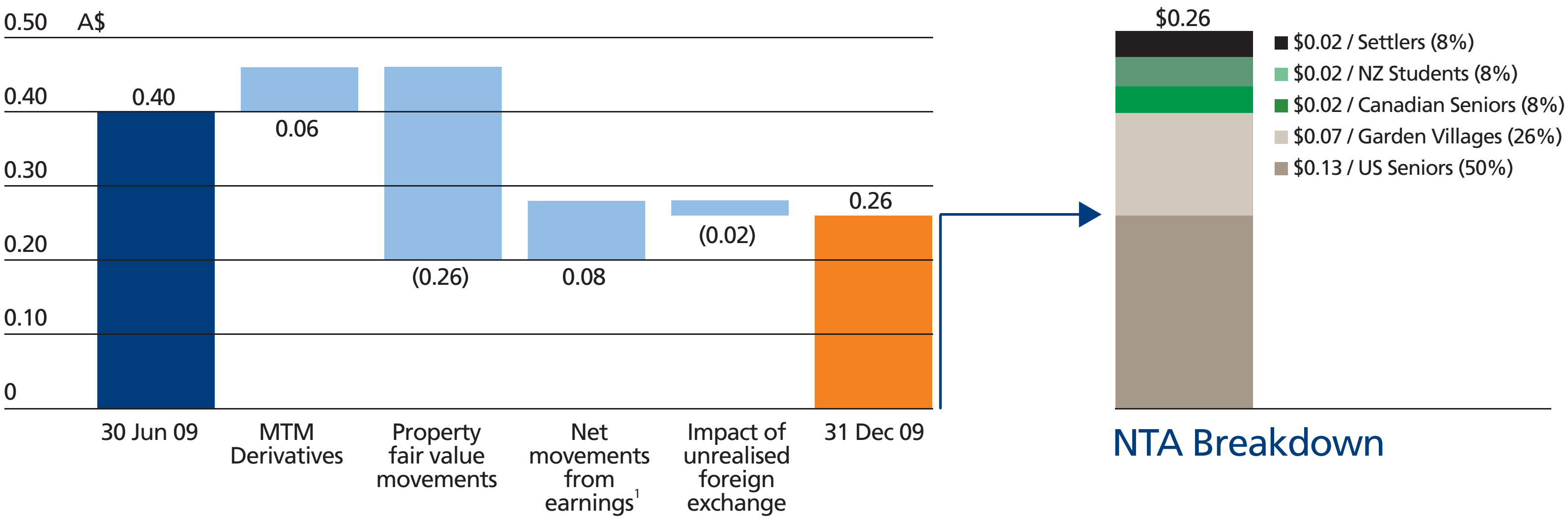
Operating income in detail

A$m Operating income	31 Dec 2009	31 Dec 2008
Continuing Operations		
Australian Seniors:		
– Garden Villages	2.6	5.0
– Settlers	2.2	2.5
US Seniors	4.0	6.0
	8.8	**13.5**
Finance Costs [1]	(3.7)	(5.1)
Management Fee	(1.7)	(1.7)
Fund Administration [2]	(1.4)	(0.8)
	(6.8)	**(7.6)**
Exiting Operations		
Canadian Seniors [3]	1.3	2.6
Meridian Portfolio [3]	3.2	2.2
Derivatives Income [4]	3.6	3.8
NZ Students	0.3	0.2
US Students	2.8	3.9
Finance Costs – US Students	(2.5)	(3.6)
	8.7	9.1
Operating income	**10.7**	**15.0**

Notes:
1) Finance costs relate to interest and charges on the Australian debt and US debt associated with the Lynbrook property
2) Fund administration costs in December 2009 include a number of one-off costs associated with the Australian debt refinance and existing US Students
3) Income from Canadian Seniors and Meridian Portfolios will cease on completion of the sale forecasted for April 2010
4) Derivative income will cease on settlement of the cross currency swap contracts in November 2010

Net tangible assets

Movement in NTA



NTA Breakdown

> US Seniors represents 50% of Fund's NTA – significantly leveraged to recovery in the US economy
> Valuations across the majority of portfolios appear to be at or near bottom of cycle – positive signs emerging
> Impact of announced sales reflected in NTA as at 31 December 2009

1) Movement from earnings include operating income and other unrealised movements including the write back of US Students loans

Debt

Debt profile improved

> Australian facility refinanced for a further three years on market competitive terms

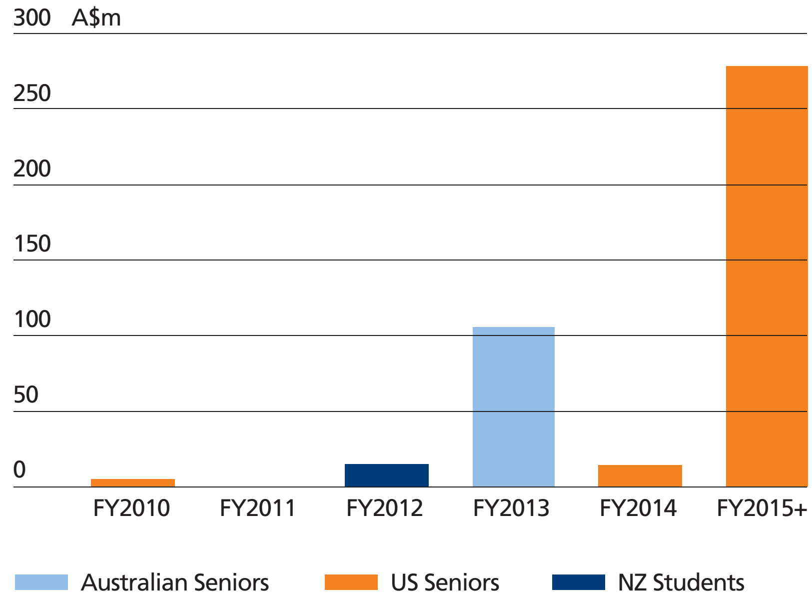
> New maturity – March 2013
  – Margin falls 0.50% once LVR is below 50%
  – Revolver facility of A$21m including A$5m for growth capital

> NZ Students debt is the only facility that is maturing within the next three years (portfolio currently marketed for sale)

> US debt is non-recourse[2], fixed rate, long-term and covenant-light

Key debt profile indicators	31 Dec 2009	Proforma[1]
Gearing – look through	79%	73%
Weighted average facility term	8.3	7.9
Weighted average hedged term	8.4	7.2
% fixed/hedged	98.5%	97.7%

Debt maturity profile proforma[1]



1) Proforma represents the Fund's debt position as at 31 December 2009, assuming the refinance of the Australian debt for a further 3 years, completion of the sale of Regency & Meridian (with proceeds of A$25m applied to Australian debt), and the exit from US Students
2) Excludes debt associated with Bristal portfolio

Portfolio update

Bristal North Woodmere, North Woodmere, New York

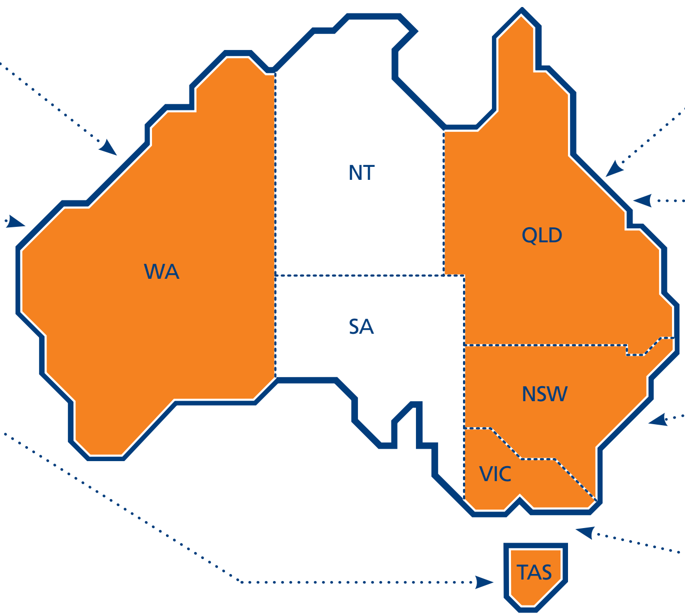
Portfolio update – Australian Seniors

ILF owns one of Australia's largest portfolios of Seniors communities providing exposure to five states and numerous regions

GARDEN VILLAGES	
Number of properties	5
Total value	A$22.7m
Total units	272

SETTLERS LIFESTYLE	
Number of properties	3
Total value	A$53.0m
Total units	525

GARDEN VILLAGES	
Number of properties	5
Total value	A$14.1m
Total units	246



GARDEN VILLAGES	
Number of properties	9
Total value	A$44.6m
Total units	565

SETTLERS LIFESTYLE	
Number of properties	1
Total value	A$7.2m
Total units	148

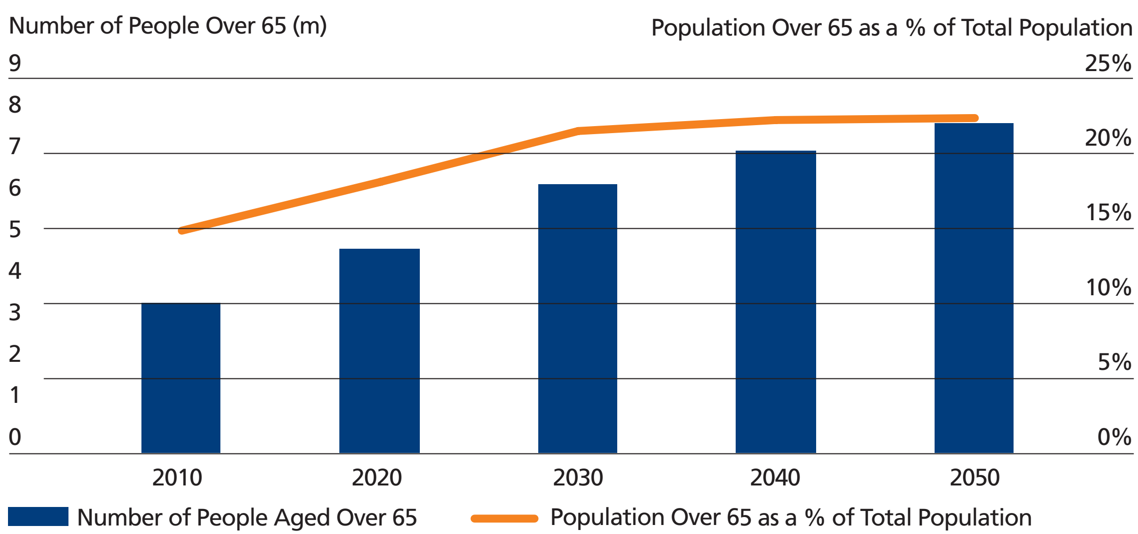
GARDEN VILLAGES	
Number of properties	7
Total value	A$24.2m
Total units	348

GARDEN VILLAGES	
Number of properties	8
Total value	A$23.7m
Total units	409

Portfolio update – Australian Seniors

Australian demographics – Growth of Australian persons aged over 65 coupled with lack of current stock and forecast supply provides long term investment value support and portfolio growth opportunities

Australian Census Projections – Number of People Aged Over 65, 2010 – 2050 (#,%)



> Population over 65 as a percent of the population increases from 13.5% in 2010 to 22.7% in 2050
> Underlying housing shortage should support demand which will enable seniors to sell their houses at attractive prices
> Intergenerational Report 2010 confirms need for increasing investment in seniors housing and care services

Source: ABS 2010; Intergenerational Report 2010 – Australia to 2050: future challenges January 2010; ING Analysis

Portfolio update – Settlers Lifestyle

KEY DATA AS AT 31 DEC 09

Occupancy	95.8%
Net property income[1]	$2.2m
Total properties[2]	4
Total units	651
Development pipeline units	82

1) Six months to 31 December 2009
2) Properties are 100% ILF owned

KEY DRIVERS AND OPPORTUNITIES

> Key value levers are occupancy rate, price growth, contract terms and time on market

> Expansion activities at existing villages drives lower risk development cashflows

> Recent price growth and high clearance rates in residential property supports Settlers business

> Major refurbishment program at Noyea to improve sales turnover and increase average selling price

> Refurbishment program to commence on rental homes at Lakeside with conversion to DMF contract at settlement

> Ridgewood Stage 8 to commence in April 2010 with 21 Expressions of Interest in place for 22 units

> Approved DA in place for for 60 units at Meadow Springs; Management exploring 2011 commencement subjet to updated feasibility

Portfolio update – Garden Villages

KEY DATA AS AT 31 DEC 09

Occupancy	69.9%
Net property income [1]	\$2.6m
Total properties [2]	34
Total units	1,840
Development pipeline units	103

1) Six months to 31 December 2009
2) Properties are 100% ILF owned

KEY DRIVERS AND OPPORTUNITIES

- Key value levers are occupancy rate, rental growth and tight cost management
- Development pipeline in place to add more than 100 units to existing villages, subject to robust financial analysis
- Conversion of some villages to DMF (upfront capital contribution) model to increase cashflow
- Explore opportunities to leverage largest seniors rental business in Australia
- Occupancy and profitability currently impacted by low conversion of customer calls – immediate focus through training and remuneration alignment
- Evaluate divestment of non-performing villages

Portfolio update – US Seniors

The US Seniors portfolio is geographically diverse with concentration in key markets of New York and Florida

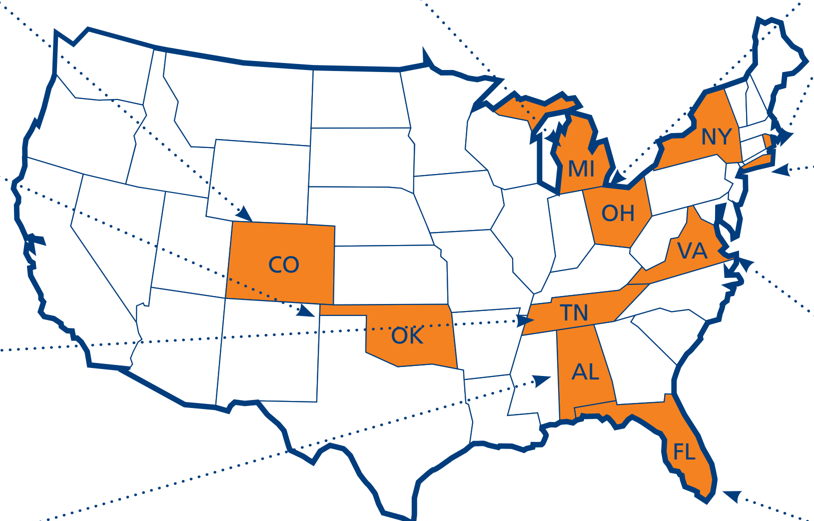
COLORADO	
Number of properties	1
Total value	US$23.1m
Total units	155

MICHIGAN	
Number of properties	2
Total value	US$48.5m
Total units	527

OHIO	
Number of properties	3
Total value	US$33.9m
Total units	470

RHODE ISLAND	
Number of properties	1
Total value	US$23.0m
Total units	170

OKLAHOMA	
Number of properties	1
Total value	US$30.6m
Total units	198



NEW YORK (LONG ISLAND)	
Number of properties	6
Total value	US$204.3m
Total units	887

TENNESSEE	
Number of properties	1
Total value	US$35.0m
Total units	179

VIRGINIA	
Number of properties	1
Total value	US$52.3m
Total units	183

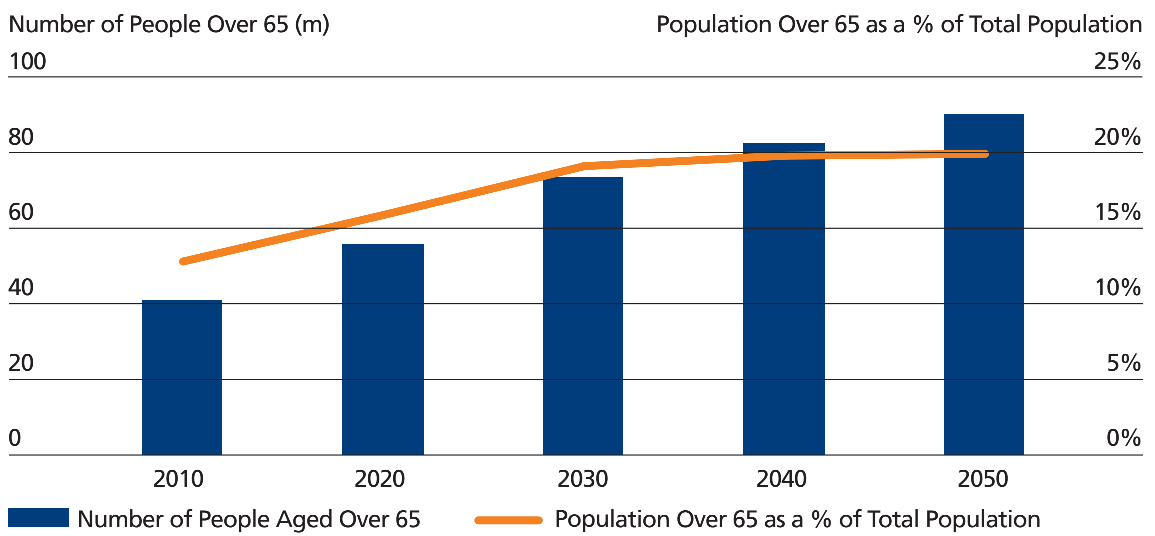
ALABAMA	
Number of properties	1
Total value	US$27.8m
Total units	226

FLORIDA	
Number of properties	4
Total value	US$80.4m
Total units	815

1) This snapshot excludes the Meridian assets as the sale is anticipated to close in April 2010
2) Asset values are stated at 100% of asset ownership

US demographics – Number and expected growth of US persons aged over 65 provide support for long term investment

US Census Projections – Number of People Aged Over 65, 2010 – 2050 (#,%)



> Total number of persons aged over 65 will grow from 40 million in 2010 to 70 million by 2030
> Population of over 65s in the US has a cumulative average growth rate of ~3%pa from 2010 to 2030
> Over 6,000 Americans turn 65 each day

Source: US Census Bureau; ING Analysis

Portfolio update – US Seniors

KEY DATA AS AT 31 DEC 09

Occupancy [1]	87.3%
Net property income [1,2]	$15.8m
Total properties [3]	21
Total units	3,810

KEY DRIVERS AND OPPORTUNITIES

> Key revenue drivers include occupancy levels, rental rates, uptake of additional care services, and pricing of additional care services

> Key cost drivers include labour costs, food costs, utility costs and management fees

> Opportunity to improve occupancy levels by increasing community level input into marketing plans to complement broader marketing efforts of operators

> Focus on driving occupancy levels and rental rates through developing business cases for targeted capex spend on long-term vacant units

> Occupancy to improve through introduction of Memory Care in communities where no facility currently exists

> Opportunity to drive revenues through increased uptake of care services

1) Excludes Meridian portfolio
2) Six months to 31 December 2009
3) ILF owns 49% of 20 communities and 100% of 1 community (Lynbrook)

Strategy and outlook

Lake Worth Gardens, Lakeworth, Florida

Strategy

MISSION

To provide unitholders with exposure to a quality portfolio of Seniors communities in Australia and the United States

STABILISE

- > Refinanced Australian debt facility – A$131m
- > Agreed sale of Canadian and part of US Seniors portfolio
- > Exiting Students business
- > Enhanced management capability

REFINE

- > Improve performance of business operations
- > Build core processes required for success
- > Develop clear strategy and value propositions

GROW + LEAD

- > Invest in and develop our people
- > Identify and execute growth opportunities
- > Deliver consistent, quality returns
- > Respected investment manager

STAGE 1

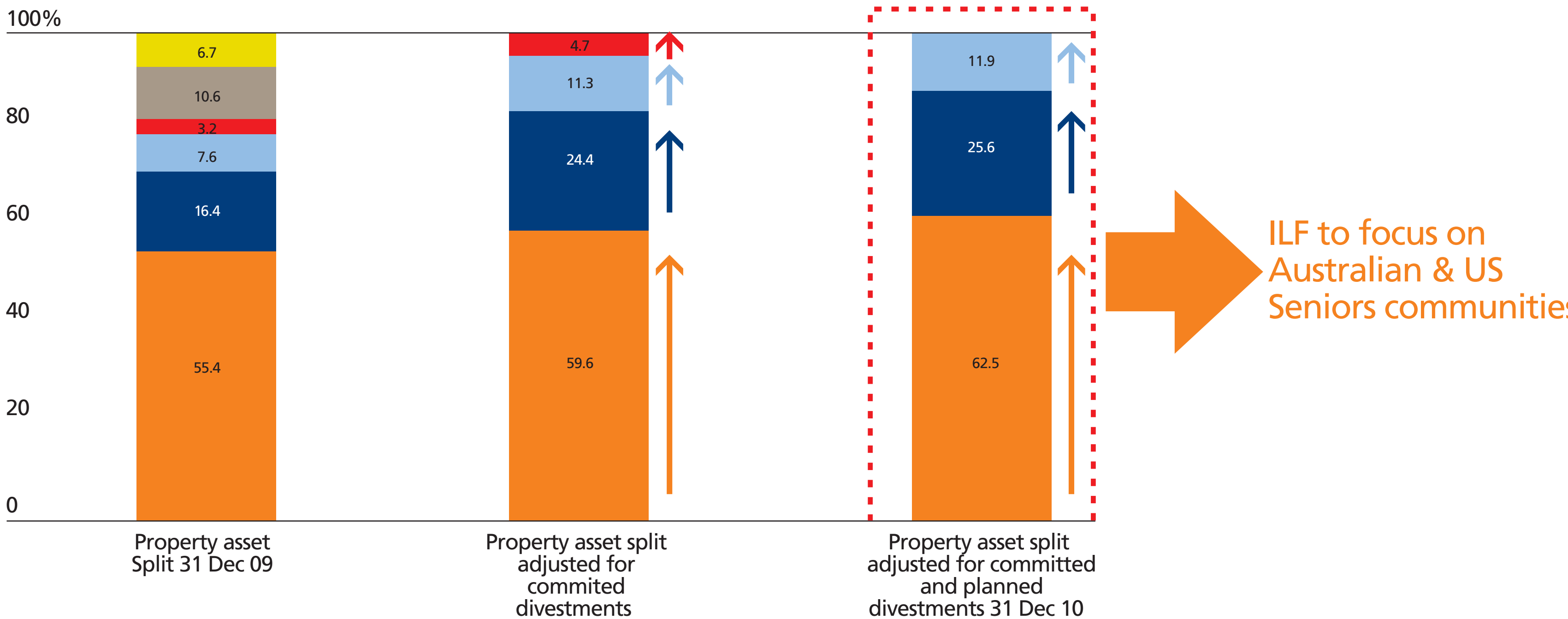
PROGRESS TO DATE

STAGE 2

STAGE 3

Outlook

Simplification of ILF business well advanced



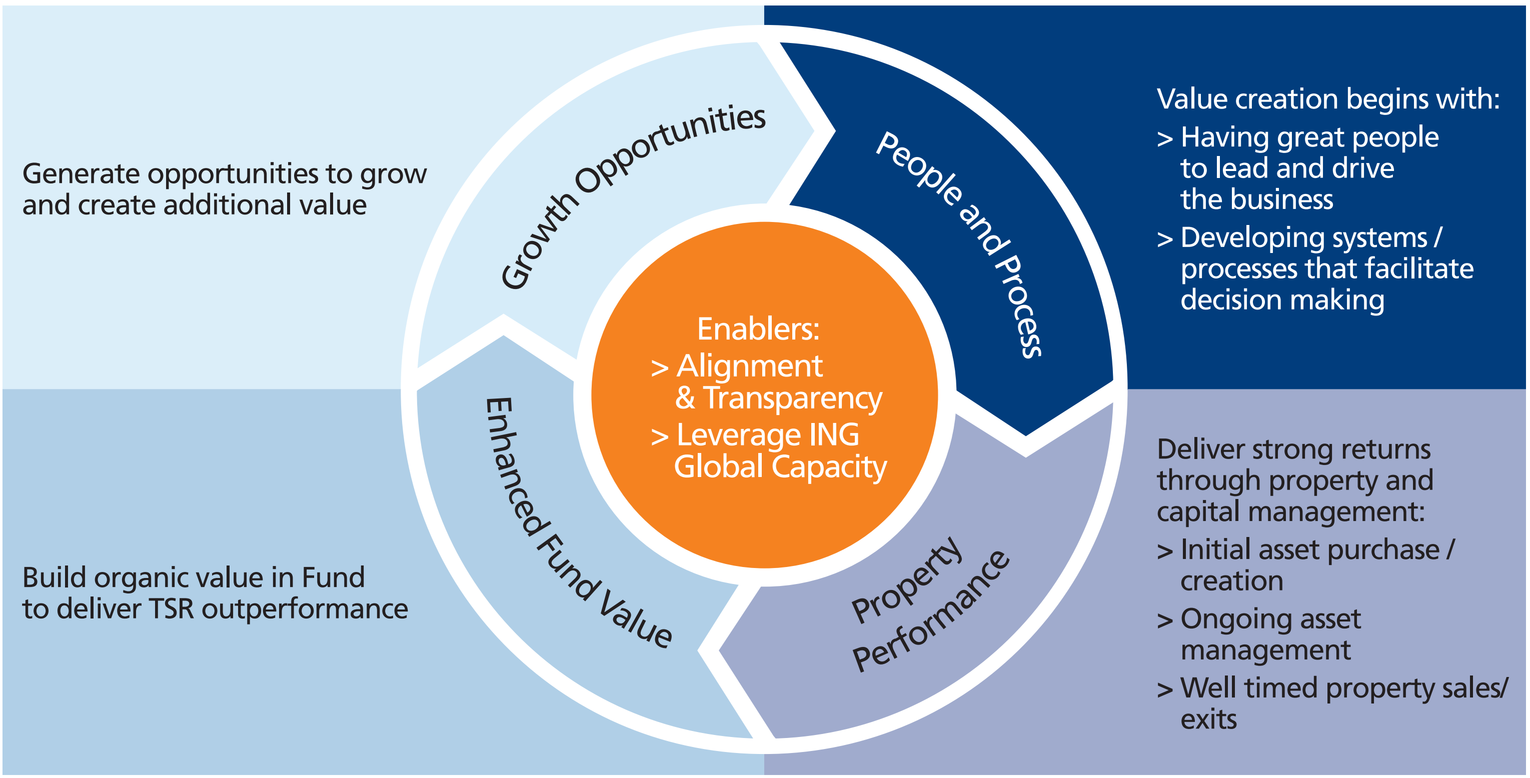
US Seniors
Australian Rental
Australian DMF
NZ Students
Canadian Seniors
US Students

Notes:
1) Asset diversification for all 3 positions calculated using 31 December 2009 valuations
2) Committed divestments account for the Sale of Meridian and Regency portfolios that are expected to settle in April 2010, and the withdrawal of US Students portfolio
3) Committed and planned divestments account for note 2 and the expected sale of the NZ Students portfolio

REIMA capabilities

The REIMA business is focused on delivering outstanding returns to its investors by focusing on its people, management systems and property practices

Value creation model



Appendices

Garden Villages Taree Gardens, Taree, NSW

Lower risk, actively managed hedge strategy moving forward

Interest rate risk

> US portfolio debt all rates fixed at loan establishment. Rate fixed for term of the loan

> Interest on Australian Seniors debt managed via interest rate swaps with maturity in line with loan term (46% hedged to March 2013)

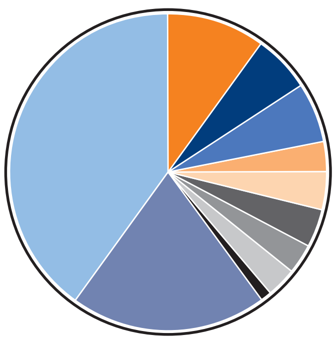
Exchange rate risk

> Exposure to exchange rate risk on foreign assets and income is reduced through use of foreign denominated debt

> Income hedging strategies take into account offshore capital and debt servicing cashflow commitments

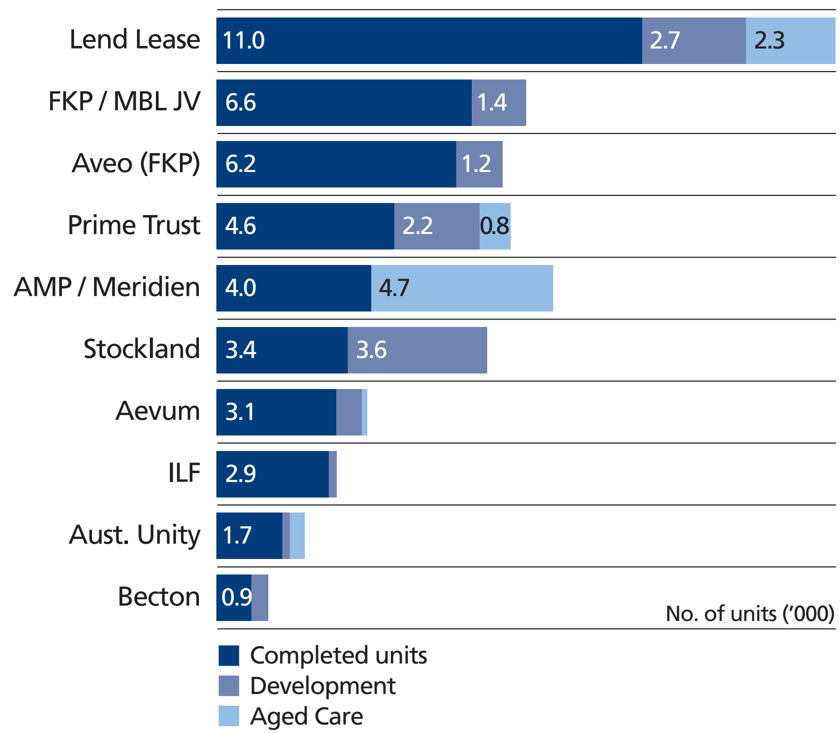
Australian Seniors market landscape[1]

Indicative Australian Market Share as at 31 Dec 2009



- Lend Lease 10%
- FKP / MBL JV 6%
- Aveo (FKP) 6%
- Stockland 3%
- Prime Trust 4%
- AMP/Meridien 4%
- ILF 3%
- Aevum 3%
- Aust. Unity 1%
- Small owner operator 20%
- Not-for-profit 40%

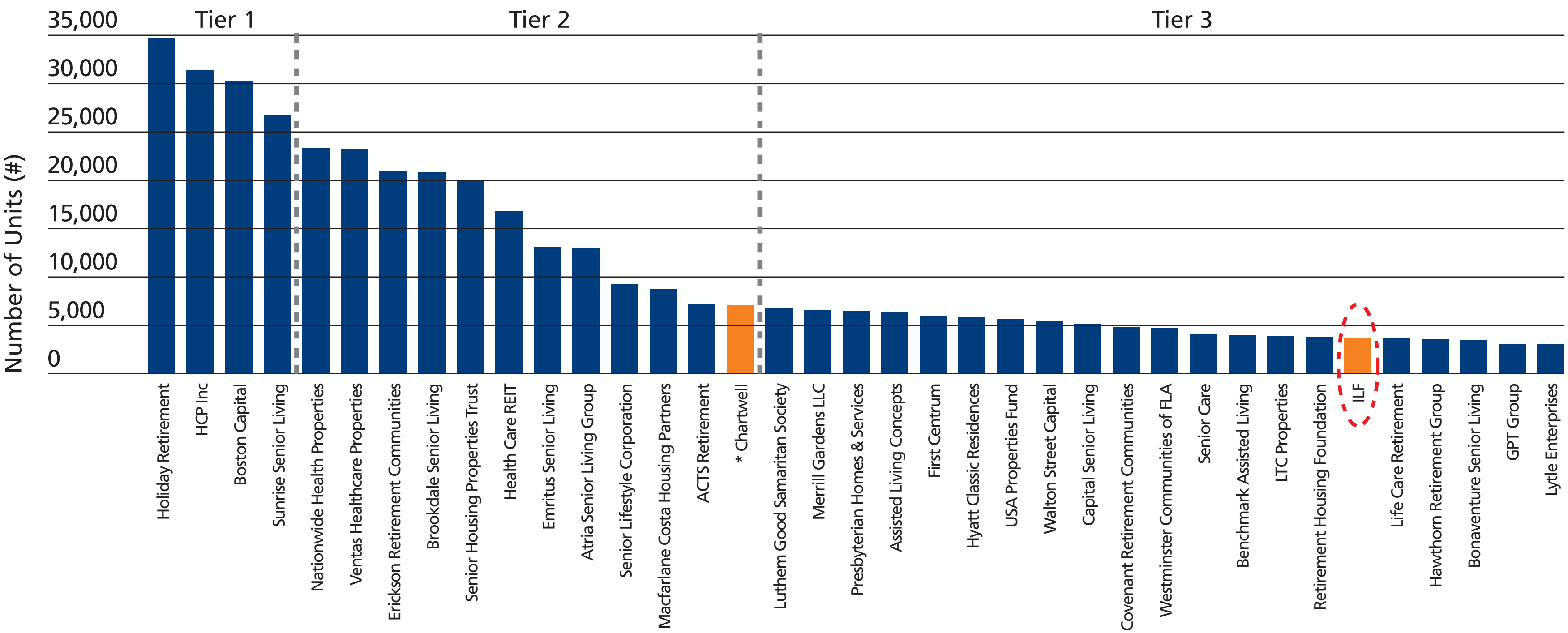
Key For-Profit Players



1) Indicative Australian market share calculated on completed units, and derived from industry sources including Valuers, Analysts, Industry Associations and internal ILF analysis

Appendix 3

Largest US Owners of Retirement Villages July 2009 (number of units)



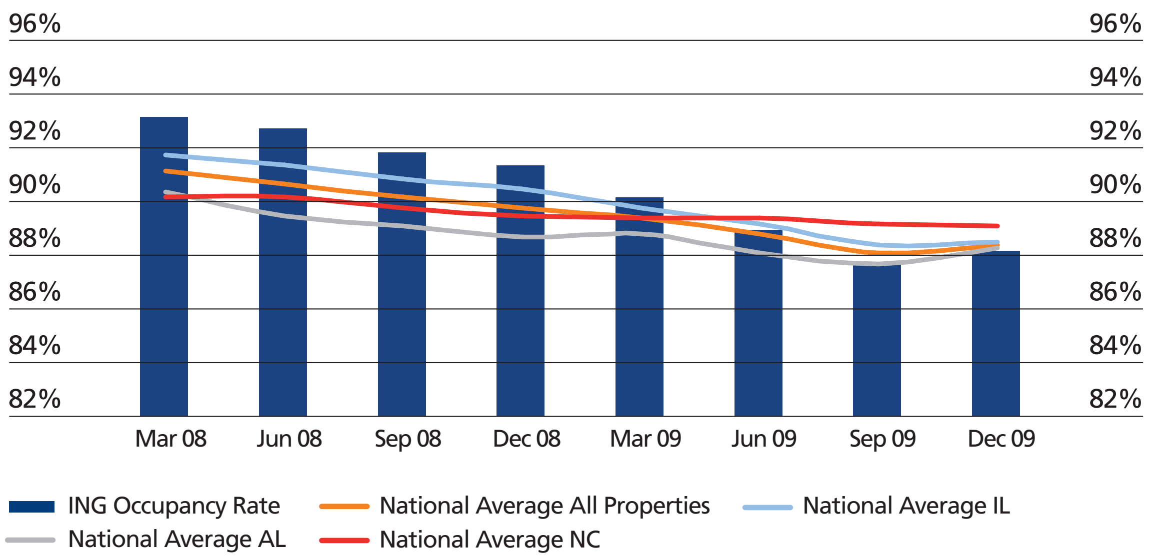
Top 50 Owners control 440,624 units, which equates to 14% of the US market – market is highly fragmented

Source: ASHA Top 50 Owners Report, July 2009; NIC Map; National Senior Housing Supply Trends; ING Analysis
* Chartwell is ILF's joint venture partner

Appendix 4

ILF's US Seniors portfolio occupancy has tracked mostly at or above the national average occupancy for the past two years

US Seniors Portfolio Occupancy Mar 2008 – Dec 2009 (%) [1]



1) Source: ILF Financial Records; NIC MAP 31 Data; ING Analysis.

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