

ING Real Estate Community Living Group

2010 Annual Results Presentation

AUSTRALIA

30 AUGUST 2010



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Introduction

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Settlers Ridgewood Rise, WA

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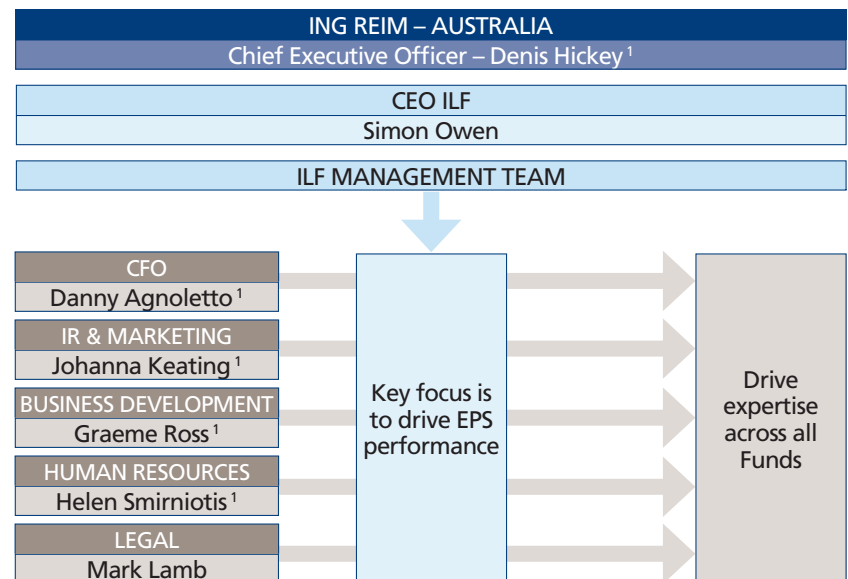
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We have been actively strengthening our business

- > Continue to be one of Australia's leading Real Estate Investment Managers
- > Restructured our business and invested in our capability
- > Strengthened all of the Funds' capital structures and focused on operational performance
- > Developed a clear strategy for all Funds to deliver sustainable growth
- > Actively working with the Global REIM strategic review with objective to determine best structure to continue to drive unit holder value

1) New team member in the last 12 months



Introduction

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ING REAL ESTATE COMMUNITY LIVING GROUP RESULTS PRESENTATION



Settlers Lakeside, Ravenswood WA

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Highlights and Overview

Key financials

Capital management

Portfolio update

Strategy and Outlook

Appendices

Solid progress driven by increased management capability and strengthened capital position

Renewed focus on operational performance

- > Garden Villages occupancy trending upwards – now at 73%
- > Ridgewood Stage 8 development progressing well with 60% deposits taken to date
- > Industry experienced Management team driving key improvements across portfolio
- > Plan to convert three rental villages to DMF model with potential to release significant cashflow

Asset sales and debt refinancing improved the Fund's capital position

- > Completed sale of Canadian Seniors and select United States Seniors portfolio with net proceeds of A\$45m¹ applied to debt reduction, hedge close-out and capital initiatives
- > Improved debt maturity profile by refinancing Australian debt facility for three years
- > Sale and handback of US Students portfolio well progressed

Positive outlook with growth initiatives being assessed

- > Pursuing sales of non-core or underperforming assets where value can be realised
- > Organic growth initiatives identified to replace earnings impact from divested assets and terminated hedges
- > Investigating bolt-on opportunities in the Australian market to drive longer term unitholder value

1) ILF interest in net sale proceeds

ING Real Estate Community Living Group (ILF)

Current Operations



US Seniors Portfolio (US\$284m)¹

- > Rental 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



Garden Villages Portfolio (A\$126m)²

- > Australian Rental portfolio
- > 100% ILF ownership
- > 33 assets across Australia



Settlers Lifestyle Portfolio (A\$60m)

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



NZ Students Portfolio (NZ\$30m)³

- > 3 assets based in Wellington
- > 90% ILF ownership

Exiting Operations



US Students (US\$52m)

- > Announced portfolio exit November 2009
- > 15 assets subject to foreclosure, 1 sold in July 2010, 1 deed in lieu executed in July 2010

Divested Assets



Meridian Portfolio (US\$111m)⁴

- > US Seniors portfolio of 6 assets in Colorado & Texas
- > Settled 18 May 2010



Regency Portfolio (CA\$80m)⁴

- > Canadian Seniors portfolio of 8 assets in Ontario
- > Settled 3 June 2010



Other Assets⁴

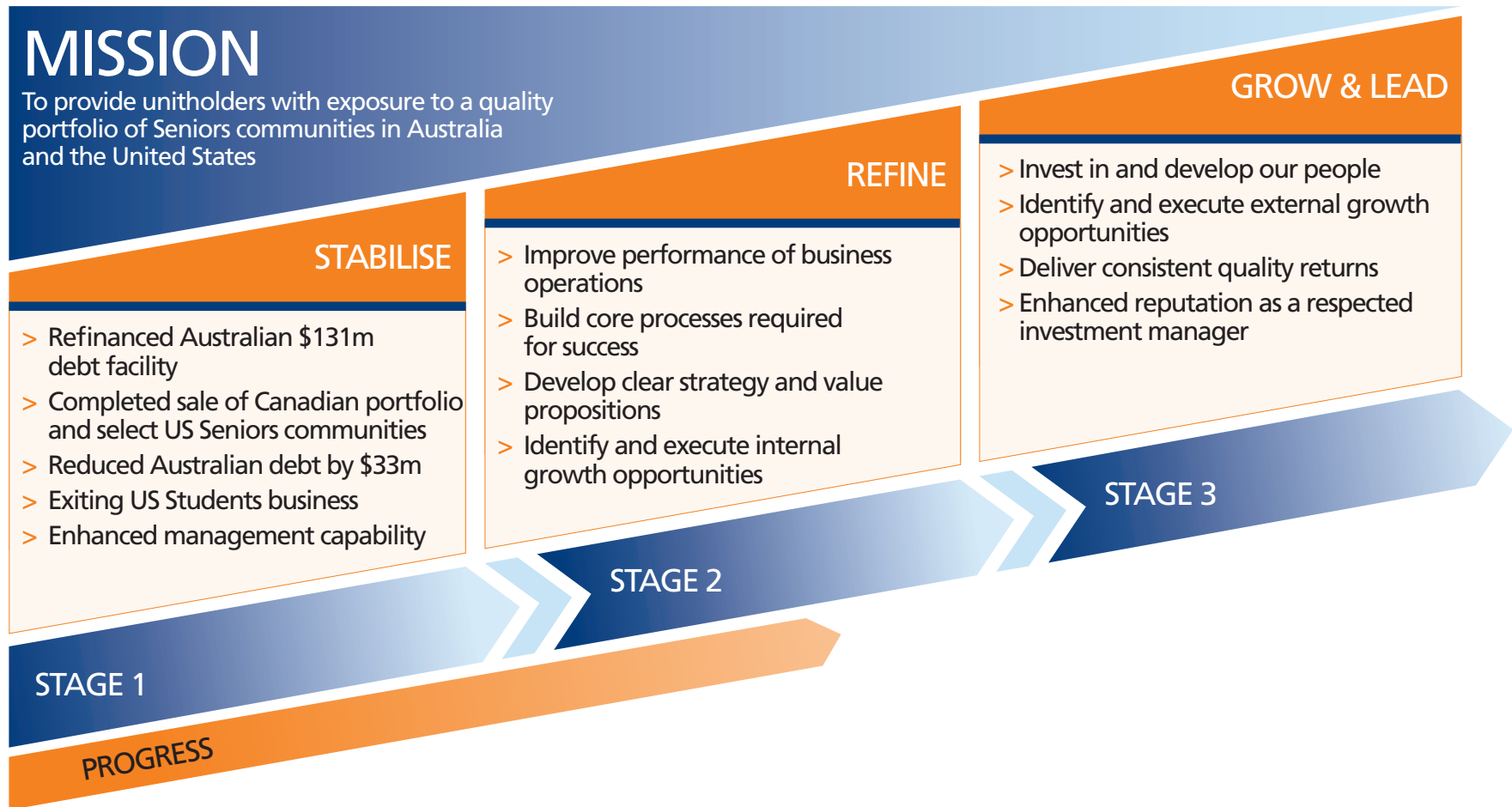
- > 2 Connecticut Students assets sold October 2009 (US\$6m)
- > 5 Garden Villages managers units sold Oct – Dec 2009 (A\$1.5m)
- > Kingston Gardens Village sold July 2010 (A\$3m)
- > US Students (The Preserve) sold in July 2010

1) Represents ILF's interest of 49% of 20 communities and 100% of 1 community (Lynbrook)

2) Current portfolio excluding Kingston Gardens sold July 2010

3) Represents ILF's interest of 90%

4) Divested during FY 2010, figures indicate ILF interest in gross sale proceeds, refer to Appendix 6 for further details



Key financials

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Settlers Ridgewood Rise, WA

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Asset base now stabilised with improving occupancy rates to drive future earnings and cashflows

Results summary – financial metrics

		FY 2010	FY 2009
Statutory profit/(loss)	\$m	(67.7)	(284.2)
Operating income ¹	\$m	18.3	26.2
Operating income per unit	cents	4.1	5.9
Gearing ²	%	73%	74%
Net tangible assets (NTA) per unit	cents	24.9	40.0
Net cashflow from operations ³	\$m	14.6	36.3

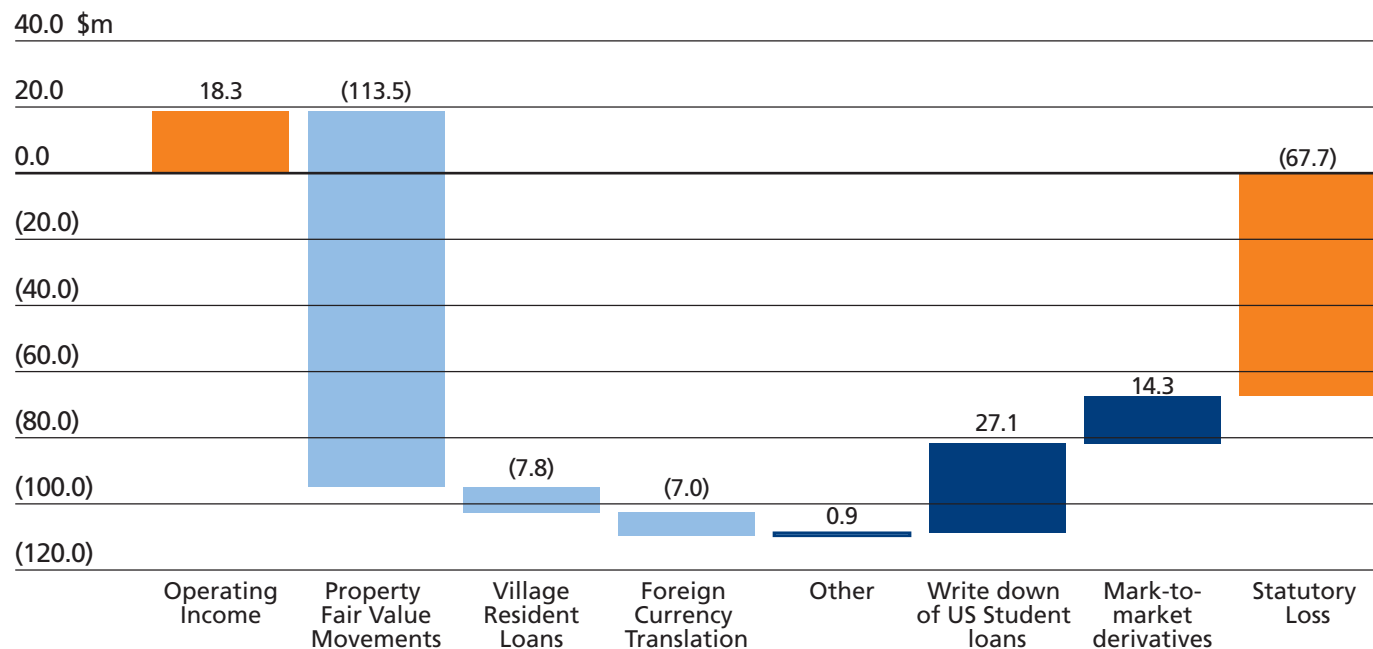
- > Improved statutory result on prior year with current loss largely due to H1 property revaluations
- > Operating income favourably impacted by increasing occupancy in the Australian Seniors portfolio while steady US portfolio income was negatively impacted by currency movement
- > Solid cashflows to support asset improvement program and debt servicing

1) See Appendix 1 for details of operating income

2) Total look through debt (net of cash) to total look through assets (net of resident loans and excluding cash)

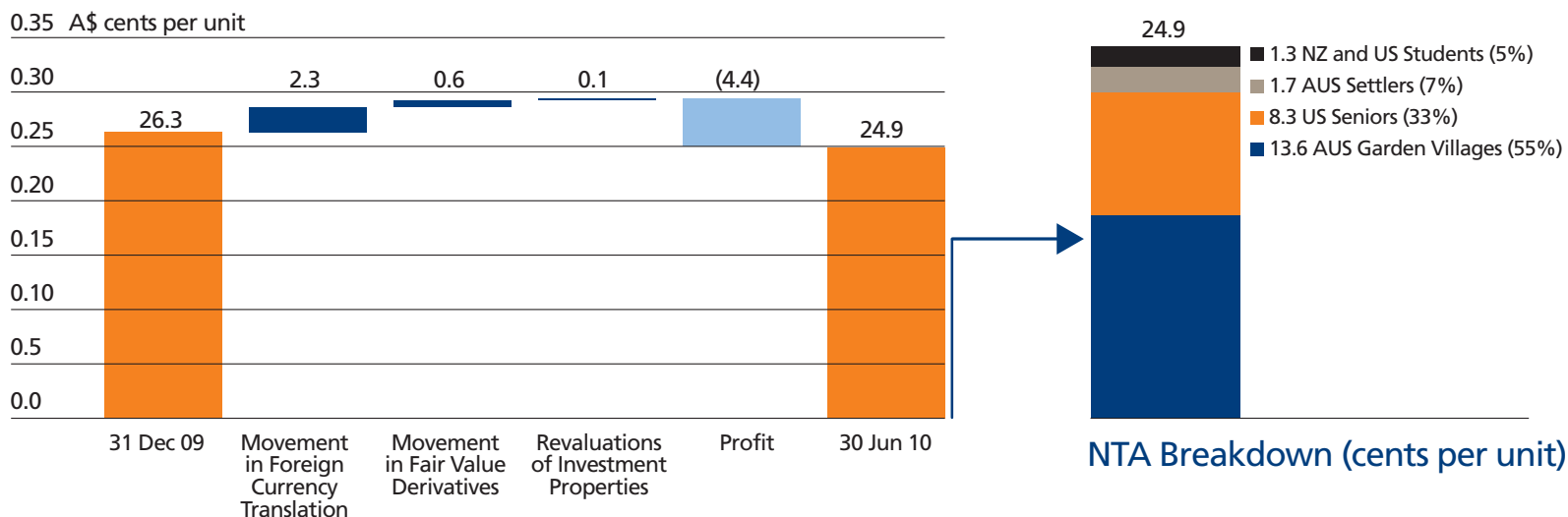
3) See Appendix 3 for cashflow details

Net operating profit versus statutory loss



- > Property devaluations in H1 of \$113.9m remain key contributor to statutory loss
- > Exit from Canadian market crystallised non-cash foreign currency translation reserve adjustment

NTA per unit stabilised with weighting increased to Australia



- > Net tangible assets per unit stabilised during H2
- > All current operations were externally revalued during year
- > Australian operations now account for >60% NTA compared to 34% at December 2009

Capital management

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Lake Worth Gardens, Lakeworth Florida

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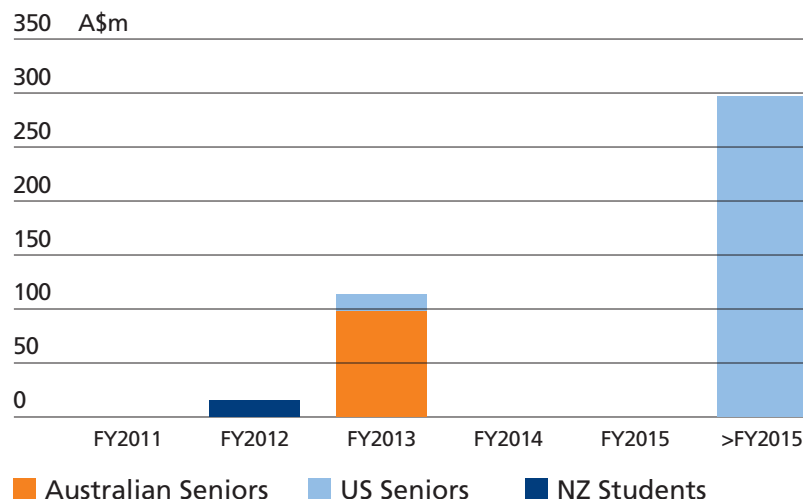
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Improving capital position

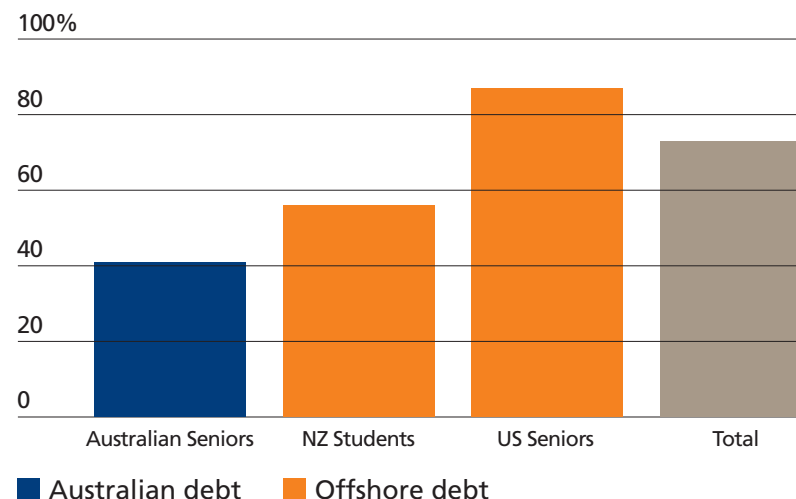
- > Long dated debt profile with average debt duration of 7.6 years
- > Australian gearing reduced from 60% to 41% over past 6 months with repayments totalling \$33m
- > US gearing is supported by debt that is limited recourse, fixed rate, long-term and covenant light
- > NZ Students refinancing initiated with retention of portfolio
- > Capital structure is a continuing focus for Management team

Debt maturity profile



Note: Debt analysis excludes the exiting US Students portfolio
Capital hedge payout of \$16m due in Nov 2010 as previously disclosed

Look through portfolio gearing



Management initiated asset sales have significantly reduced Australian debt

Key Initiatives	\$m	\$m	% of Gross Assets ¹
US Seniors Debt Facility (USD)			
Debt as at 31 Dec 2009		344.0	85%
> Repayment from sale of Meridian portfolio	(79.1)		
> Scheduled amortisations	(2.6)		
> Repayment from US Student asset sales	(0.7)		
		(82.4)	
Debt at end of the year (30 June 2010)		261.6	87%²
Australian Facility (AUD)			
Debt as at 31 Dec 2009		131.0	60%
> Repayment from sale of Meridian portfolio	(24.8)		
> Repayment from sale of Regency portfolio	(8.5)		
> Working capital movements	1.1		
		(32.2)	
Debt at end of the year (30 June 2010)		98.8	41%

Further repayments anticipated from planned asset sales and improving operational performance

1) Net of cash balance

2) Upward movement in US gearing due to changes in underlying gross assets driven by divestment of Meridian portfolio

Portfolio update

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Residents at Settlers Noyea Park, Mt. Warren Park, QLD

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Portfolio focused on core US and Australian seniors market and small continuing exposure to NZ Students

30 June 2010	US Seniors (Rental)	Australian Garden Villages (Rental) ¹	Australian Settlers (DMF)	NZ Students	Portfolio FY 2010 ²	Portfolio FY 2009
Properties	21	34	4	3	62	103
Units	3,873	1,840	655	359	6,727	10,029
Book Value	US\$284m	A\$129m	A\$60m	NZ\$30m	A\$550m	A\$978m
Occupancy	86%	73%	97%	98%	84%	86%
Occupancy Trend						

- > Portfolio refined with divestment of Canadian Seniors portfolio (Jun 2010)
- > Divestment of US Meridian portfolio (May 2010) repatriated significant capital to Australia while retaining presence in core US markets, particularly New York

1) Includes Kingston Gardens Village sold July 2010

2) Overall portfolio figures exclude US Students for FY 2010 as portfolio is currently undergoing handback

US Seniors

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Bristol North Woodmere, New York

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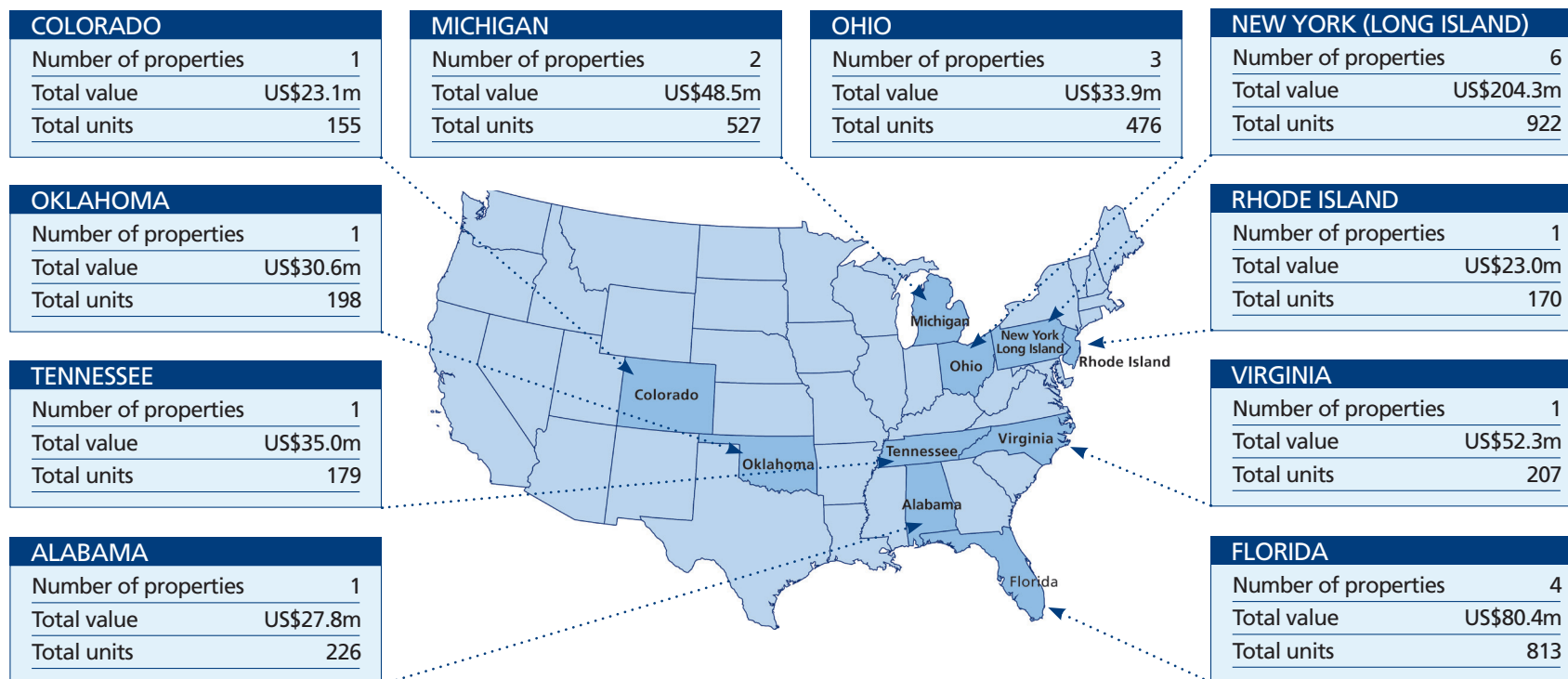
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Portfolio update – US Seniors

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



Note: Asset values stated at 100% ownership (ILF interest is 49% except for Lynbrook at 100%)

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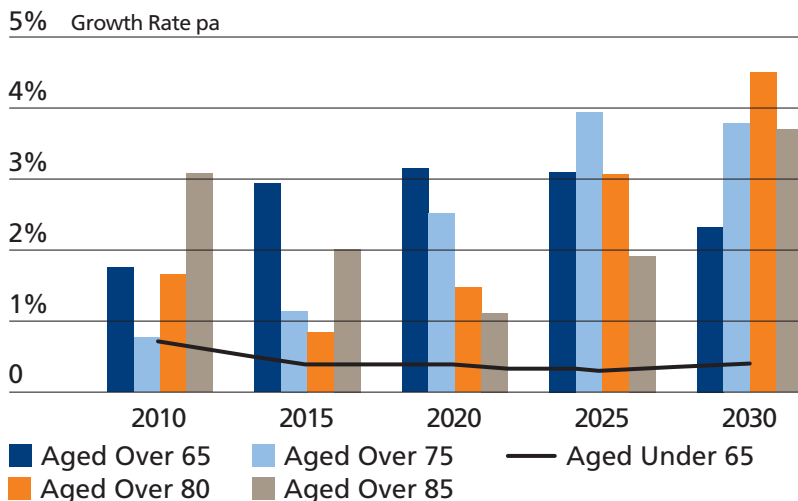
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Economic & Demographic Overview

Key Economic Drivers	2008	2009	2010	2011F
Unemployment rate ¹	5.8%	9.3%	9.7% ↓	9.3% ↓
Employment ¹	145m	140m	140m ↑	142m ↑
Business confidence ²	36%	55%	59% ↑	n/a
Consumer confidence ³	58	45	58 ↑	n/a
GDP growth ¹	0.4%	(2.4%)	3.3% ↑	2.0% ↓

US Census Growth Rate Projections (2010 – 2030) Per Age Group⁴



US market macro trends suggest a slow economic recovery underway barring any future shocks

- > Revised forecasts show GDP growing at 3.3% in 2010 and 2.0% in 2011
- > Consumer confidence in 2010 is significantly higher than in 2009
- > Recent unemployment and economic data reduce expected pace of US recovery

US demographic drivers support the Seniors living industry

- > Population growth rates in older age groups are two to three times higher than the general population
- > Total number of US persons aged over 65 will grow from 40 million in 2010 to 70 million in 2030
- > Over 6,000 US persons turn 65 every day⁵

1) Economist Intelligence Unit (July 2010)

2) Purchasing Managers Index, Institute for Supply Management above 42% is positive

3) Conference Board

4) US Census Bureau

5) Industry sources including valuers, analysts, industry associations and internal ILF analysis

Portfolio update – US Seniors

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	LAST 6 MONTHS		NEXT 12 MONTHS	
	Market direction	Comment	Market direction	Comment
Occupancy		Demand curtailed by GFC		Driven by pent up demand; conditional on economic recovery
Supply		Boom projects finished		Limited new supply due to lack of finance
Demand		Demand for AL ¹ balanced by purchase postponement for IL ¹		Population growth; Needs based
Labour costs		Large and accessible pool of labour; high unemployment		Large and accessible pool of labour; high unemployment
Rental rate growth		Rental rates sacrificed to pursue occupancy		Focus now on margins and modest yearly rate increases
Portfolio asset value		Cap rates appear to have stabilised		Improving market sentiment; conditional on economic recovery

1) AL: Assisted Living, IL: Independent Living

KEY DATA

	FY2010	FY2009
Occupancy:	86%	89%
Net property income (USD):	\$31.5m	\$33.5m
Net property income – like for like:	(2%)	—
Total properties: ¹	21	27
Total units:	3,873	4,718



Bristol North Hills, New York

1) ILF owns 49% of 20 communities and 100% of 1 community (Lynbrook)

2) As at 7 August 2010

KEY HIGHLIGHTS

- > Like for like portfolio occupancy for 21 villages has risen to 86.7%², the highest since February 2009
- > Unit refurbishment programs underway at two properties in Florida to improve occupancies and increase average rental price
- > Performing unit reconfigurations by turning select 2br units into 1br units and “Friendship Suites” (shared living area, private bath and bedroom) at multiple communities to meet market demand for smaller units
- > Submitted applications to increase Assisted Living units in the Village at Lowry in Colorado to meet market demand for care and differentiate from competitors
- > Planning expansion of Memory Care units at Woodside Community in Ohio and Village at Lowry in Colorado to meet market demand

Australian Seniors

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Residents at Settlers Lakeside, Ravenswood, WA

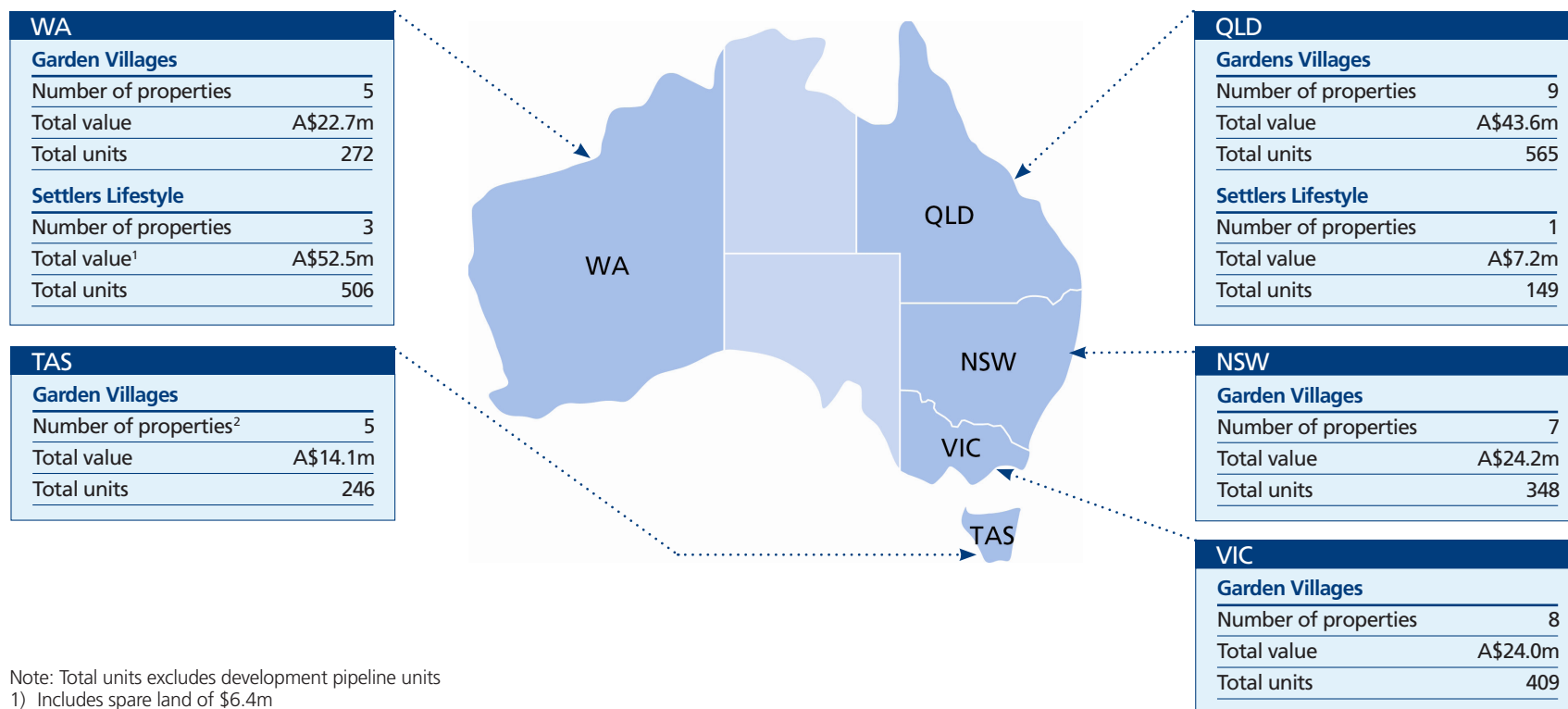
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Snapshot of Australian Seniors portfolio

ILF owns and operates a large and diverse portfolio of Seniors communities



Economic & Demographic Overview

Australian economic drivers point to recovery in 2010

	2008	2009	2010	2011F
GDP Growth ¹	2.4%	1.3%	3.1% ↑	3.8% ↑
CPI ¹	4.3%	1.8%	3.3%	2.8%
Unemployment rate ²	4.3%	5.6%	5.1% ↓	4.8% ↓

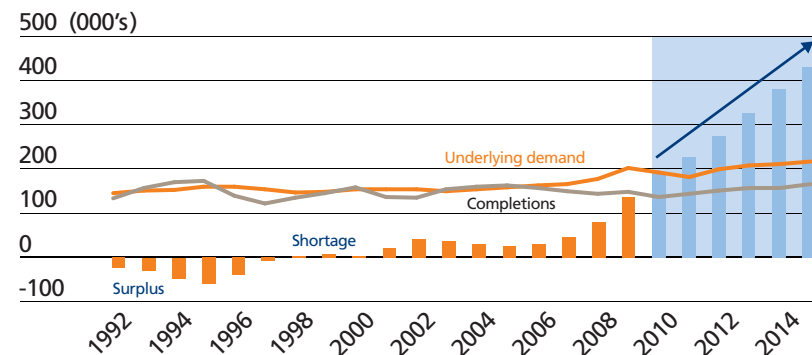
Australian demographic drivers support the seniors living industry

- > Population over 65 as a percent of the population grows from 13.5% in 2010 to 22.7% in 2050
- > First wave of baby boomers turn 65 in 2012, underpinning future demand for seniors housing
- > Intergenerational Report 2010 confirms need for increasing investment in seniors housing and care services

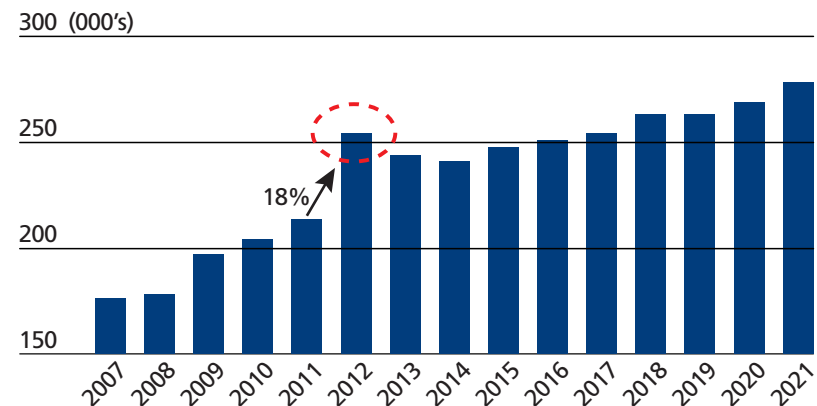
Sources:

- 1) Reserve Bank of Australia (August 2010)
- 2) Economist Intelligence Unit (May 2010)
- 3) ANZ Australian Property Outlook, December 2009
- 4) 'The future of the Retirement Market: an Economic Perspective' – MacroPlan Australia

Housing Demand, Completions and Shortage 1986 – 2015³



Number of People Turning 65 Each Year, Australia 2007 to 2021⁴



Australian rental (Garden Villages) village fundamentals – price sensitive, tight cost focus

> Opportunity exists to drive value and release cashflow via conversion of some villages to traditional (DMF) retirement model

	Past 6 Months		Next 12 Months	
	Market direction	Comment	Market direction	Comment
Supply	↓	Scarcity of affordable land and capital	↓	Scarcity of affordable land and capital
Demand	↔	Steady	↑	Potential for upswing
Labour costs	↔	Availability of labour	↑	Tight labour market
Pricing power	↔	Limited – pegged to pension	↔	Limited – pegged to pension
Capitalisation rates	↑	Continued expansion	↔	Limited transactions

Australian DMF (Settlers) village fundamentals – improvement in line with broader residential market

> Increasing demand and significant supply constraints are creating real market opportunities

	Past 6 Months		Next 12 Months	
	Market direction	Comment	Market direction	Comment
Supply	↔	Boom projects finished	↔	Limited capital available
Demand	↔	Slowly improving	↑	Improving
Labour costs	↔	Availability of labour	↑	Tight labour market
Pricing power	↔	Stabilised industry growth	↑	Improving due to limited new supply
Discount rates	↔	Stabilisation from mid 2010	↔	Stable with bias to improvement

Core focus on operational execution to support future earnings and cashflow

Management

- > Australian Seniors platform merged as one business unit
- > New General Manager – Australian Seniors commenced June 2010 to manage combined platform

Cost Savings

- > Back office functions across two portfolios being amalgamated which will positively impact operations of combined business:
 - streamline costs and increase purchasing power
 - leverage capabilities and shared resources across the two portfolios
 - enhance operational efficiencies particularly in sales, marketing and village management

Operational Focus

- > Focus on driving occupancy and revenue growth to improve earnings
- > Progress the Garden Villages conversion project
- > Divest select underperforming villages

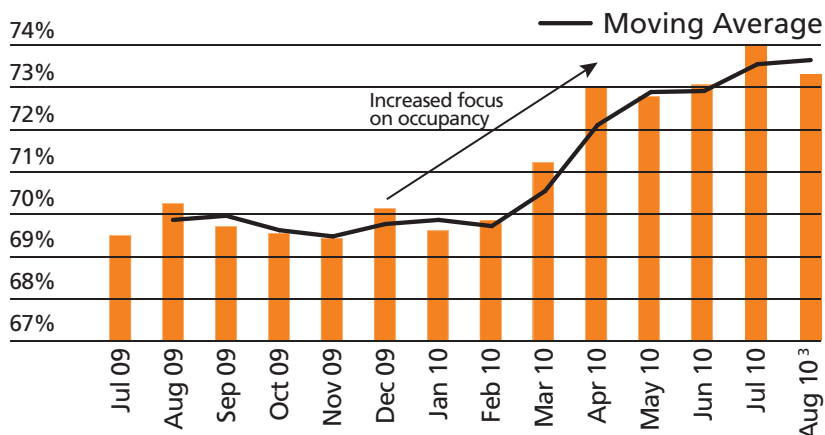
Portfolio update – Australian Seniors (Garden Villages)

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KEY DATA

	FY2010 ¹	FY2009 ²
Occupancy:	73%	71%
Net property income (AUD):	\$5.2m	\$7.3m
Total properties:	34	34
Total units:	1,840	1,840
Development pipeline units:	162	162

Garden Villages portfolio occupancy trend since Jul 2009



1) Includes Kingston Garden Village sold July 2010

2) FY09 comparative excludes 5 managers units and 1 vacant site

KEY HIGHLIGHTS

- > Increased occupancy to 73%
- > 1% increase in annualised occupancy delivers \$0.2m increase in revenue – mainly profit
- > Target 77% by Dec 2010 and longer term target of 85%
- > Focus on operational excellence, product and service delivery to assist sales conversion and resident retention (increase tenure from 18 to 24+ months)
- > Divestment of select underperforming villages
- > Conversion and upgrade of three villages to DMF model, due for market launch Sep 2010
- > Increase in conversion on prospective resident enquiries from 2% to 2.5% delivers annualised increase in revenue of \$1.9m

Optimising performance from the Garden Villages Portfolio

Drive value in core assets

- > Sharing of resources across Garden Villages and Settlers improves efficiencies and leverages capability across operations, finance, marketing and asset management
- > Upskill Village and Regional Managers with customised Sales & Marketing training
- > Incentivise staff to provide greater focus on sales, occupancy and resident retention
- > Access Commonwealth and State NRAS¹ funding for several villages

Convert three villages to DMF model

- > Three QLD villages have higher and better usage under DMF
- > Larger, contemporary self contained units, 1 or 2 bedrooms, bathrooms, lounge and kitchen
- > Villages primarily located in ideal geographic locations
- > Small upfront capital outlay has potential to deliver sizeable free cashflows
- > Focus on conversion of vacant units, whilst preserving existing rental income

Selective divestment of underperformers

- > Identified assets in Garden Villages portfolio that are unlikely to meet threshold returns
- > Sale proceeds enable accelerated payments against AUS debt and provides growth capital
- > Refined management focus on smaller more profitable portfolios
- > Already sold Kingston Gardens Village in Tasmania
- > Achieve higher overall portfolio occupancy

1) The National Rental Affordability Scheme (NRAS) is an Australian Government initiative to stimulate the supply of 50,000 new affordable rental dwellings by June 2012

Portfolio update – Australian Seniors (Settlers Lifestyle)

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KEY DATA

	FY2010	FY2009
Occupancy:	97%	93%
Net property income (AUD):	\$5.0m	\$1.5m
Total properties:	4	4
Total units:	655	644
Development pipeline units:	78	92



Settlers Ridgewood Rise, WA

KEY HIGHLIGHTS

- > Development of Ridgewood Rise Stage 8 progressing well
 - 60% deposits achieved to date
 - expected completion Dec 2010
- > Refurbishment of vacant units at Meadow Springs to improve product quality, sales price and performance
- > Review of approved DA for 60 units at Meadow Springs Stage 2, management exploring 2011 commencement pending commercial assessment
- > Ongoing refurbishment program at Noyea to improve sales turnover and increase average selling price
- > Buyback of rental units at Lakeside for upgrade and conversion to DMF
- > Assessing purchase of adjacent land to expand existing villages

NZ Students

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UStay student accomodation, Wellington NZ

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KEY DATA

	FY2010	FY2009
Occupancy:	98%	99%
Net operating income (NZD):	\$2.4m	\$2.1m
Total properties:	3	3
Total units:	359	359



KEY HIGHLIGHTS

- > ILF is largest owner of off-campus beds in under supplied Wellington market
- > Wellington real estate market remains patchy with few transactions occurring in past 12 months
- > Assets recently withdrawn from sale as expressions of interest were conditional and non-binding
- > Retain portfolio to extract value for unitholders by:
 - Renewed longer term contract with University
 - Increase summer short-stay accommodation occupancy
 - Contract longer-term commercial tenancies
- > Reinvigorated approach to active management

Strategy and outlook

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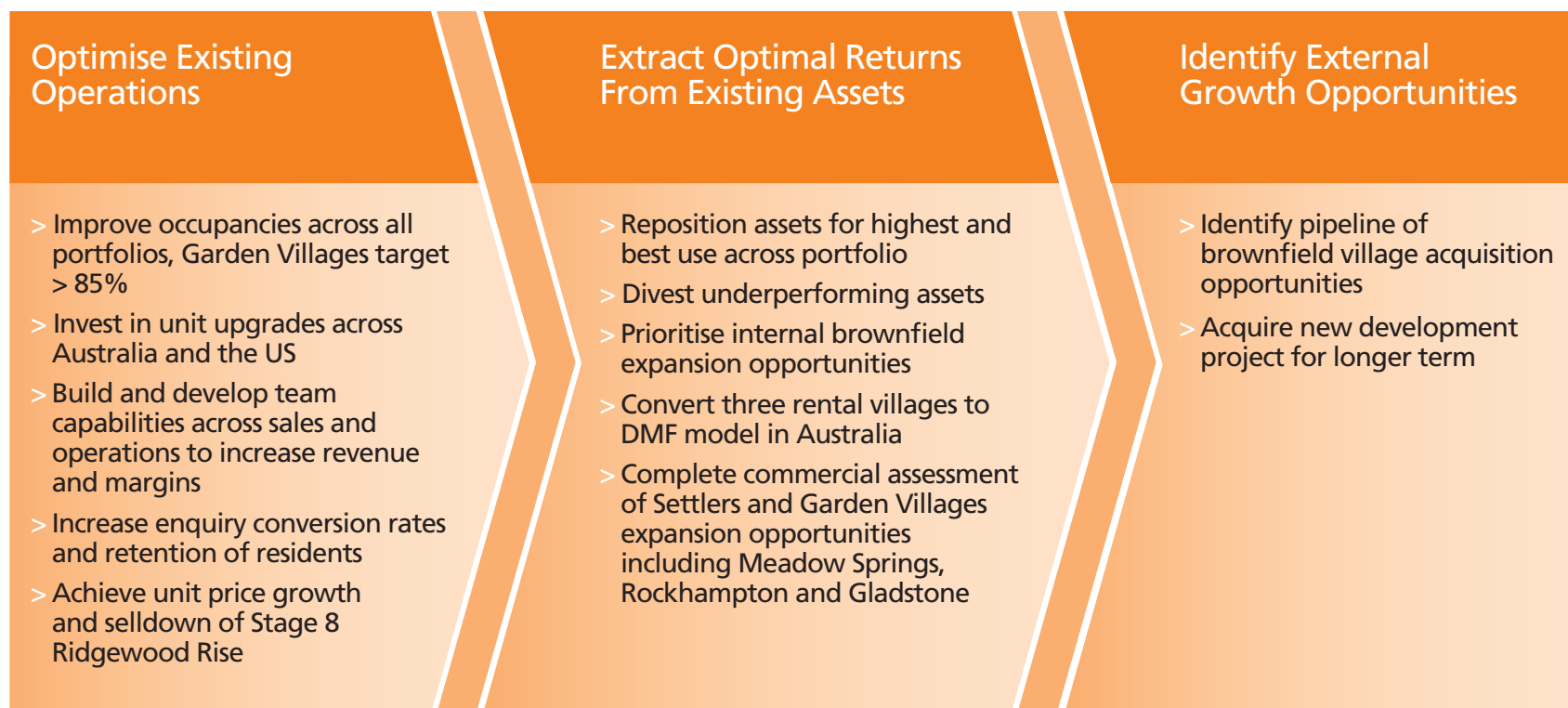
Residents at Settlers Lakeside, Ravenswood WA

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



- > ILF continues through its rebuilding phase and remains focussed on value restoration
- > Faced with challenging environment however operating markets are improving with solid demand
- > Investment activity is slowly returning which supports asset values
- > Replacement of earnings from derivatives and divested assets is a key focus for Management
- > Fund operates with a sub-optimal capital structure which will need to be addressed in the medium term
- > Capable and industry experienced management team committed to creating long term unitholder value
- > No distribution forecast for FY11 due to capital constraints and banking covenants

Appendices

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Residents at Settlers Noyea Park, Mt Warren Park, QLD

Appendix 1

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Net Operating Income¹	FY 2010 (A\$m)	FY 2009 (A\$m)
Continuing Operations		
US Seniors		
– Continuing Business	6.1	9.9
– Derivatives Income	7.4	6.6
Australian Seniors		
– Garden Villages	5.2	7.3
– Settlers Lifestyle	5.0	1.5
NZ Students	0.9	0.8
Finance Costs	(8.3)	(8.1)
Management Fee	(3.3)	(3.4)
Fund Administration	(2.5)	(1.9)
	10.5	12.7
Divested or Exiting Operations		
US Seniors I Meridian Portfolio	5.6	8.2
Canadian Seniors I Regency Portfolio	5.0	5.1
Australian Joint Ventures ²	—	(0.2)
US Students	(2.8)	0.3
	7.8	13.4
Net operating income	18.3	26.1

1) Operating income by operation includes property debt interest except for Australian Seniors

2) Consists of two Australian JV portfolios (Country Club Villages and Oaktree) that were divested in FY09

Look through balance sheet

As at 30 June 2010 (A\$m)	US Seniors	Australian Seniors	NZ Students	US ¹ Students	Total
Cash	1.7	19.6	1.6		22.9
Investment property and property under development	337.8	329.2	24.3		691.3
Derivatives	0	2.4	0		2.4
Other assets	17.6	3.7	0.3		21.6
Total assets	357.1	354.9	26.2		738.2
Interest bearing liabilities	(311.1)	(98.8)	(15.2)		(425.1)
Derivatives	0	(0.1)	0		(0.1)
Village residents' loans	0	(140.9)	0		(140.9)
Other liabilities	(9.5)	(47.7)	(0.9)		(58.1)
Total liabilities	(320.6)	(287.5)	(16.1)		(624.2)
Net assets	36.5	67.4	10.1	(3.9)	110.0
Net tangible assets per unit – cents	8.3 c	15.3 c	2.3 c	(0.9) c	24.9 c
Assets less cash and resident loans	355.4	194.4	24.6		574.4
Total debt less cash	309.4	79.2	13.6		402.2
Look through gearing (%) ²	87.1%	40.7%	55.3%		70.0%

1) US Students portfolio currently in handback process so excluded from this analysis

2) Total portfolio look through gearing including US Students 73.2%

Cashflow in detail

	Amount A\$m
Opening cast in 1 July 2009	13.2
Cashflow generated from operations	
Australian Operations	12.5
Canadian Seniors	3.3
US Seniors	7.3
US Students	2.2
NZ Students	0.2
Borrowing costs paid	(17.9)
Interest rate swaps	7.0
Net Cashflows from Operations	14.6
Proceeds from sale of investment properties	
Garden Villages Managers Units	1.5
US Students	6.6
Proceeds from sale of equity accounted investments	
Canadian Seniors	9.3
US Seniors	34.9
Capital expenditure and development costs	(5.0)
Contributions to associates:	
US Seniors	(6.6)
NZ Students	(1.1)
Net Cashflows from Investing	39.6
Net Debt Repaid	
Australian Seniors debt	(33.7)
US Seniors debt	(8.8)
US Students debt	(4.8)
Distributions to unitholders	
Net Cashflows from Financing	(47.3)
Effects of exchange rate changes on cash	0.1
Closing cash at 30 June 2010	20.2

Valuations stable in H2 driven by improvements in market sentiment and operating performance

		30 Jun 10 Valuation	31 Dec 09 Valuation	30 Jun 09 Valuation	H2 Movement (\$m) ¹	H2 Movement (%) ¹	30 June 10 Cap rate (%) ²	Key drivers of valuation movement
US Seniors (US\$m)	– Continued	284.0 ¹	284.0 ¹	304.1	—	—	8.3	Corporate activity re-emerging in past 3 months underpinning demand for quality villages
	– Exited	—	108.3	123.2	—	—	—	
Australian Seniors Garden Villages (Rental)		128.5 ³	129.6	152.9	(1.1)	(0.8)	8.8	Consolidation in rental market favourably impacting valuations but few recent transactions
Australian Seniors Settlers (DMF)		59.7	60.2	68.1	(0.5)	(0.8)	13.5	Market sentiment towards quality DMF villages improving but few recent transactions
NZ Students (NZ\$m)		29.9	31.2 ¹	34.1	(1.3)	(4.2)	10.9	Softening in valuation largely driven by vacant commercial space

1) ILF interest only

2) Weighted average capitalisation rate for all portfolios except Australian Seniors Settlers which uses weighted average discount rate of 13.5%

3) Includes Kingston Gardens Village sold July 2010

Debt Facilities

	Australian Seniors	US Seniors ¹	NZ Students
Limit ²	Core debt A\$97.7m Revolver A\$21.0m Total A\$118.7m	US\$261.6m	NZ\$18.7m
Amount drawn ²	A\$98.8m	US\$261.6m	NZ\$18.7m
Loan to value ratio (LVR) actual	52.5%	87%	60%
LVR bank covenant ³	50% – 65%	N/A	60%
Interest cover ratio (ICR) actual	2.6 x	N/A	2.2 x
ICR bank covenant	1.4 x	N/A	1.5 x
Leverage Ratio	80.3%	N/A	N/A
Leverage Covenant ⁴	85%	N/A	N/A
% Hedged ⁵	60.7%	100%	48.1%
Facility expiry	Mar 2013	Dec 2013 to Nov 2042	Aug 2011

1) 7 facility pools secured against individual or groups of properties

2) Represents ILF share

3) Australian Seniors debt LVR: 65% for completed rental villages, 50% for DMF and non completed villages/development land

4) Australian leverage ratio covenant reduces from 85% to 80% Jan 2012

5) US Seniors is 100% fixed rate debt for life of loan, Australian debt hedged for life of loan, NZ debt hedging expires August 2010

Appendix 6 – Capital Management

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Proactive divestment program including exiting non-core and underperforming assets has assisted with stabilising the Fund's capital position

Action	Timing	Impact on Fund
US Seniors Meridian Portfolio	May 2010	Net proceeds of US\$31m applied to AUS debt, repaid derivative obligations and provided working capital for growth opportunities
Canadian Seniors Regency Portfolio	June 2010	Net proceeds of C\$7.0m applied to AUS debt and provided working capital for growth opportunities
US Students		
> 2 Connecticut assets	Oct 2009	Net proceeds of US\$2.0m used to reduce US debt
> 1 Florida asset – The Preserve	July 2010	Net proceeds used to meet Student handback costs
> Remainder of portfolio handback	In progress	Expect process to complete mid 2011 (net costs ~ A\$5m)
Australian Seniors		
> Kingston Gardens Village	July 2010	Sold above book value, proceeds of A\$3.0m used to repay core debt and fund Australian growth initiatives
> Managers Units	Various	Net proceeds of A\$1.5m applied to AUS debt

Key aspects of ILF's Retirement Business Model

RENTAL MODEL – GARDEN VILLAGES AND US SENIORS

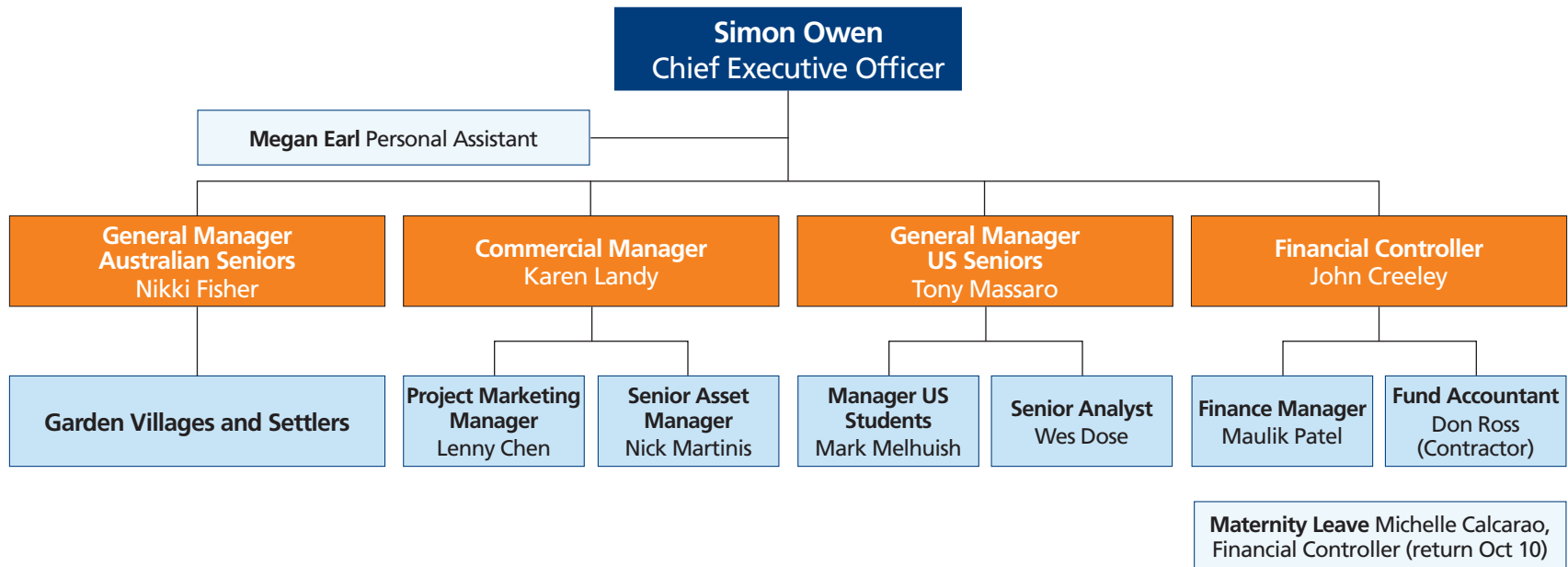
- > US retirement living market is predominantly rental
- > ILF is the largest owner and operator of rental villages in Australia
- > AU Resident pays a refundable bond and fortnightly rent
- > US Resident pays rent monthly in advance
- > GV caters to mostly lower socio-economic demographics (pensioners) (~\$1,200 per month)
- > US Seniors portfolio caters to a middle socio-economic demographic (~\$3,500 per month)
- > Average resident age: AU: 75+, US: 82+
- > Average length of stay: AU: 2-3yrs, US: 3yrs

DEFERRED MANAGEMENT FEE (DMF) MODEL – SETTLERS

- > Unique to Australia and NZ
- > Resident home ownership via lifetime leases
- > Mid socio-economic demographic
- > Average resident age: 70+ (57% female)
- > Average length of stay: 10 – 12 years
- > ILF receives an average DMF fee of 30% of home resale price
- > ILF and resident share in any home value uplift



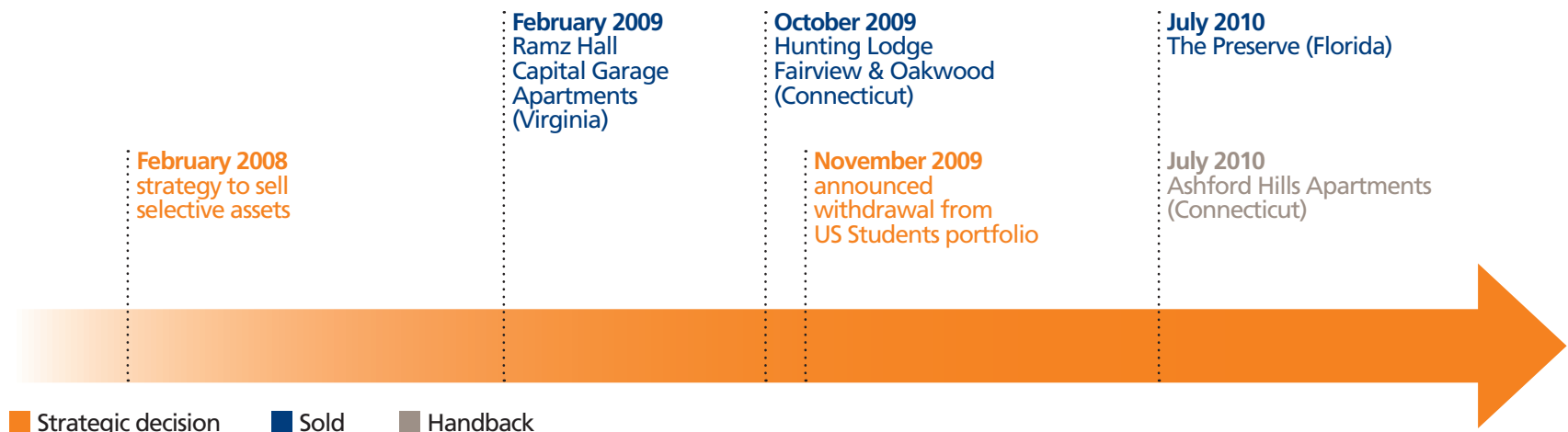
ILF Team Organisation Chart



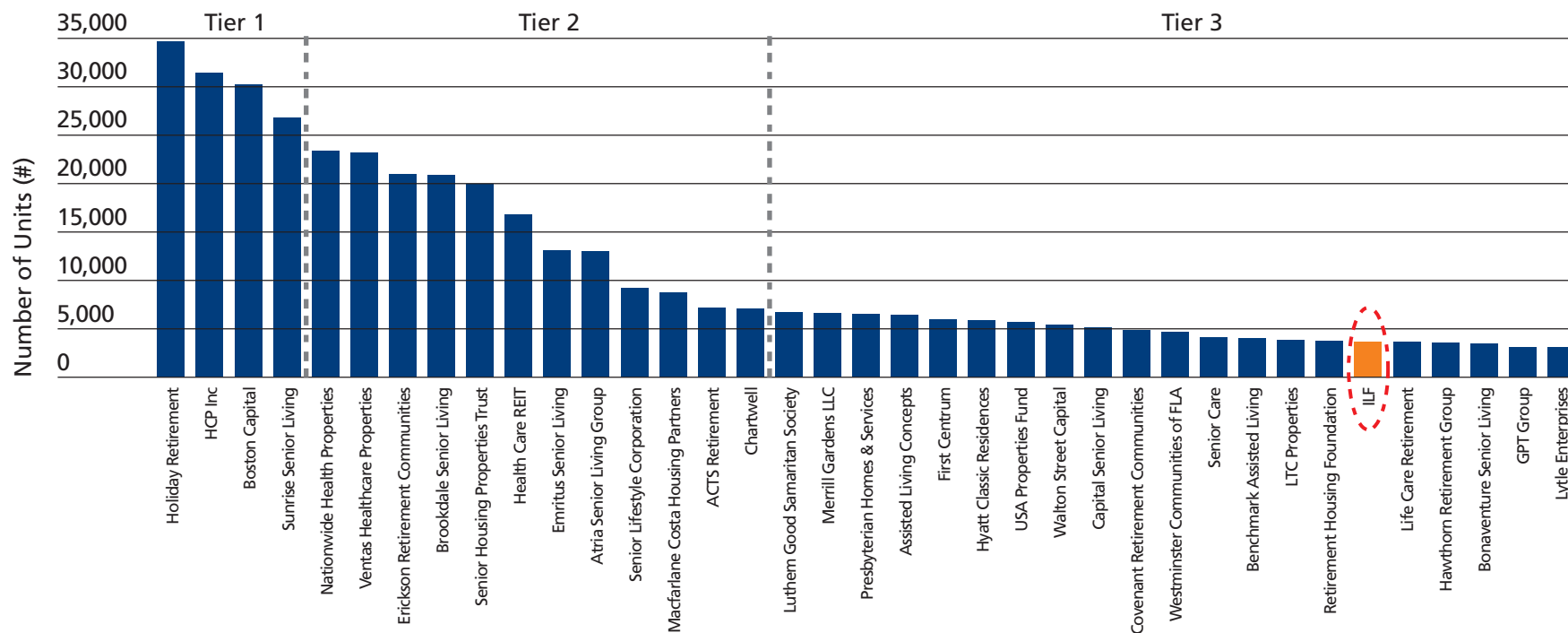
- > New leadership team in place with improved capability across industry, asset management, strategy and finance
- > Management of Garden Villages and Settlers now streamlined with cost efficiencies to flow through
- > Leverage existing REIMA capabilities and support services (e.g. Treasury, Legal, Marketing & Communications)

Exit of US Students well advanced

- > Progress made with lenders for handover of all properties
 - First handback property (ING 2) moved off balance sheet July 2010 through a deed in lieu process
 - Last saleable asset (The Preserve) was sold July 2010
- > A provision of ~A\$5m made to cover the costs of handback associated with exiting the US Students business to ensure smooth transition. To date A\$0.3m costs incurred
- > Majority of assets are forecast to move off balance sheet before end 2010, while entire process is likely to be completed no later than mid 2011



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
 > ILF would rank as 32nd largest owner in the US if it had 100% ownership of all its US Seniors communities

Source: ASHA Top 50 Owners Report, July 2009; NIC Map; National Senior Housing Supply Trends; ING Analysis

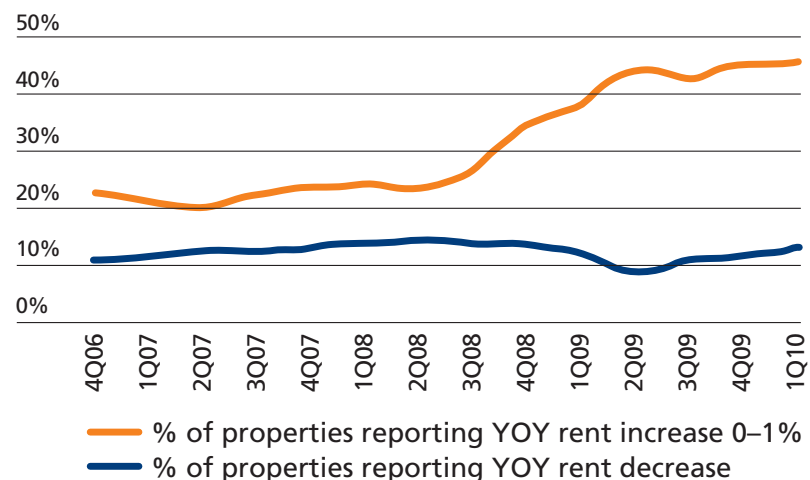
US Market Fundamentals

- > Occupancies for most operators have stabilised in the high 80%'s
- > Rents continue to grow in the seniors housing sector, however the pace of growth has slowed in each consecutive quarter since 2007
- > There are several IPOs planned for the US seniors housing sector in next 6 to 12 months

ILF and US Peer Group Occupancy Jun 2010

ILF – US Portfolio ¹	86.4%
Brookdale	86.8%
Five Star	86.2%
Sunrise	86.2%
National Ave Independent Living ²	87.4%
National Ave Assisted Living ²	88.3%

Year on year growth in rental income

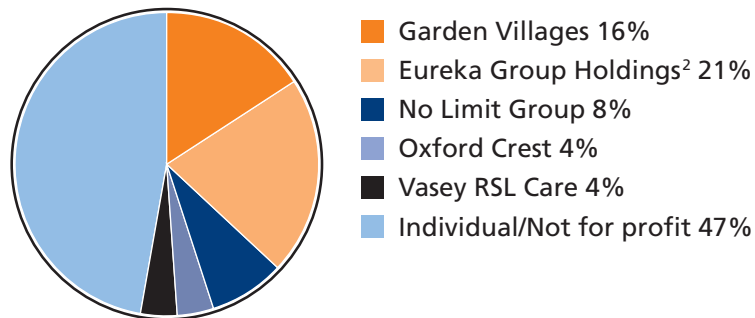


1) ILF portfolio is a mixture of independent living and assisted living products and excludes villages in lease up phase (Lynbrook & Gayton Terrace)

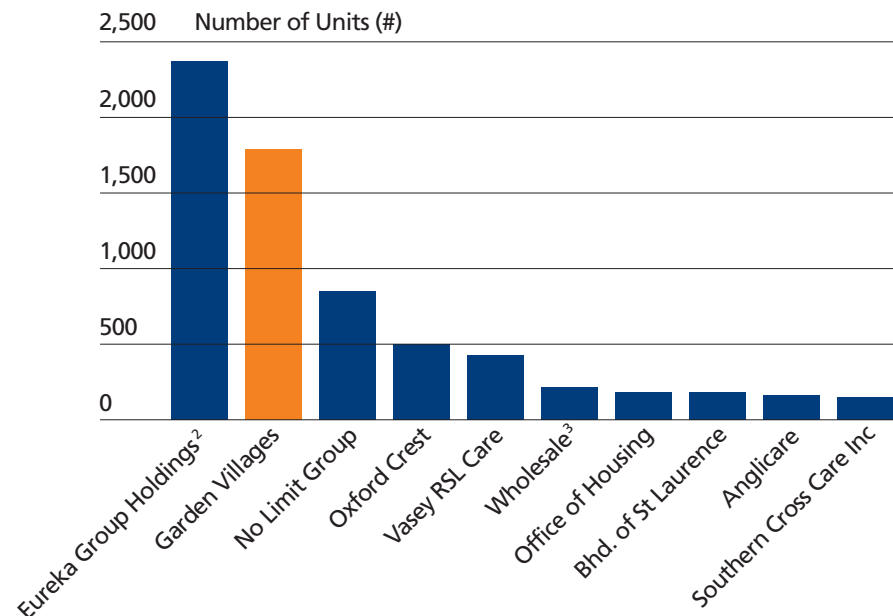
2) Nic Map Data and Analysis Service (Map 31)

Australian Seniors Rental Market is dominated by the Eureka Group and Garden Villages

Indicative Australian Market Share By Top Six Operators (%)¹



Top Ten Australian Rental Retirement Villages Nov 2009 (# of units)⁴



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

2) Formerly SCV Group

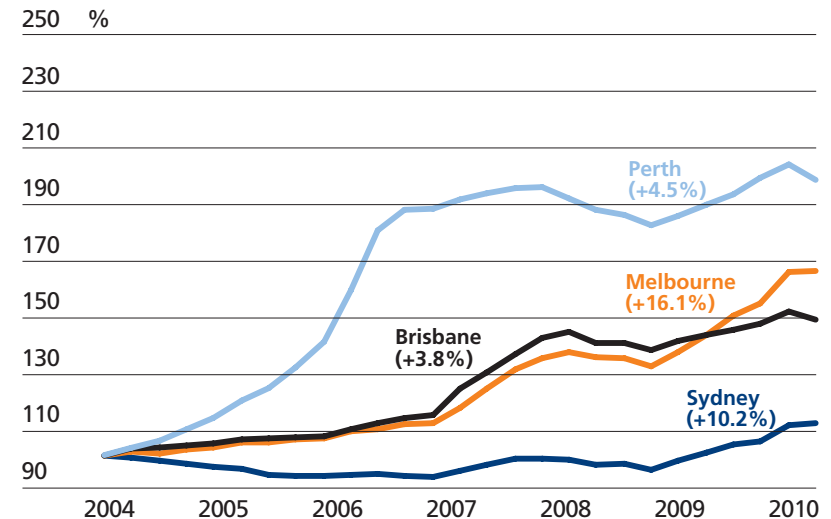
3) Group of villages owned in one line by an investor or syndicate

4) Base data is from November 2009 extract from Jones Lang LaSalle Australian Rental database. Numbers have been adjusted to include 2010 industry consolidation

Resilience in Australian house prices supports Seniors Housing

- > Australian median house prices in the major cities in which ILF operates have remained buoyant in 2009-2010
- > An increase in house prices should enable efficient operators of retirement villages to do the following:
 - Raise rental rates (capped to pension increases)
 - Raise ILU prices
- > An increase in home prices should assist seniors in selling their family home more efficiently to fund moving into a retirement village
- > A decrease in the housing affordability index further supports an increase in house prices, which benefits seniors

Australian Median House prices 2004–2010¹ (rebased to 2004)



% growth indicates 2009 – 2010 YTD growth

1) ABS, RP Data-Rismark, ANZ Economic & Market Research

A copy of this presentation will be made available on www.ingrealestate.com.au

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