

REAL ESTATE INVESTMENT MANAGEMENT

Date

28 December 2011

Fund

ING Real Estate Community Living Group

New York Assets Revaluation adds 7¢ per unit to NAV

Highlights

- Revaluation of New York Portfolio of six premium senior housing communities adds 7¢ per unit to NAV of 26¢ as at 30 June 2011 at current exchange rates
- 7¢ per unit increase translates to A\$30.8m
- A number of offers received for New York portfolio at a price materially in excess of 30 June 2011 book value
- Increased valuation supported by independent valuation
- Australian Seniors portfolio also being revalued – slight softening expected to NAV which is likely to be down 0.8¢ per unit
- Expected change in NAV from asset revaluations at 31 December 2011 should increase by approximately 6.2¢ per unit based on current exchange rates.

US Seniors Asset Revaluations

ING Real Estate Community Living Group (ILF) today announced a revaluation of its New York portfolio had led to a material 7¢ increase in its net asset value (NAV) of 26¢ per unit as at 30 June 2011. The Fund is currently finalising its usual six monthly re-appraisal of the carrying values of its property investment assets. This revaluation process will culminate in financial statement changes that will be reported for the six months ended 31 December 2011.

Following the partial sale of the US Seniors portfolio in July 2011, a number of offers were received for the New York (Bristol) portfolio at a price materially in excess of their 30 June 2011 book value. The New York portfolio consists of six premium seniors housing communities located on Long Island in New York, USA. Five of the six properties are owned

in a 50/50 Joint venture with Chartwell Seniors Housing, a Canadian REIT, and the sixth property is owned 100% by ILF.

Supporting evidence of the increased value of the New York assets has been confirmed by third party independent valuations completed in December 2011. As a result, ILF anticipates that the New York portfolio NAV reported in ILF's 31 December 2011 financial statements will experience a positive increase in the order of about A\$30.8m or 7.0¢ per unit based on current exchange rates.

ILF CEO Simon Owen said, "The New York assets represent a premium portfolio of high quality seniors housing communities with significant barriers to entry and a client base largely unaffected by recent global financial turmoil. Recent and unsolicited acquisition interests combined with external appraisals confirm our long maintained view around the conservative carrying value of the portfolio. Given the level of market interest combined with the Fund's revaluation policy, now is an appropriate time to revalue them. However we are certainly not a seller at this level."

As announced to the ASX on 2 November 2011, ILF continues to explore expressions of interest to acquire the Fund's remaining New York assets which would allow funds to be repatriated to Australia in order to seed emerging acquisition and development opportunities.

Australian Seniors Revaluations

As part of the ongoing 31 December 2011 revaluation exercise, six of the 33 Australian Seniors portfolio assets are being externally valued and the remainder are being internally valued. There has been a slight softening in the Australian Seniors asset values which will likely result in a decline of approximately A\$3.5m (0.8¢ per unit).

New Zealand Students Revaluations

Additionally, the New Zealand Students assets were internally valued and are inline with 30 June 2011 book value based on current exchange rates.



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Summary

Expected change in NAV from asset revaluations at 31 December 2011 should increase by approximately 6.2¢ per unit based on current exchange rates.

ILF will lodge its half year accounts by the end of February 2012 and will keep the market informed on any material developments with the New York portfolio.

For further information, please contact

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About ING Real Estate Community Living Group

ING Real Estate Community Living Group (ASX code: ILF) is an externally managed ASX-listed real estate investment trust that owns, manages and develops a diversified portfolio of seniors housing communities. The Fund has total look-through assets under management of \$486 million with operations located predominantly throughout Australia and the United States.

About ING Real Estate Investment Management

ING Real Estate Community Living Group is the remaining listed real estate investment trust that is managed by ING Real Estate Investment Management Australia. ING Real Estate Investment Management is part of ING Group, a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries.