

APPENDIX 4D

Half-year Report

Half-year ended 31 December 2010

Name of Entity:	ING Real Estate Community Living Group
ARSN:	ING Real Estate Community Living Group comprising ING Real Estate Community Living Group ARSN 107 459 576 and ING Real Estate Community Living Management Trust ARSN 122 928 410

Results for announcement to the market

	\$'000	
Revenues from continuing operations	up 6.7% to 14,556	
Profit from ordinary activities after tax attributable to members	Up n/a to a profit of 10,342	
Net profit for the period attributable to members	Up n/a to a profit of 10,342	
Operating income from continuing operations	down 44% to 5,104	
Operating income	down 57% to 4,625	
Net tangible assets per unit (excluding outside equity interest)	31 December 2010 \$0.26	30 June 2010 \$0.25

Distributions	Amount per unit (cents)	\$m
Interim - 31 December 2010	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record date for determining entitlements to the distribution	n/a	
Details of any distribution reinvestment plan in operation	n/a	
Last date for receipt of an election notice for participation in any distribution reinvestment plan	n/a	

Note : Franked amount per unit is not applicable

For further details, please refer to the following attached documents:

- ASX announcement/Media release
- Directors' report
- Interim financial report
- Results presentation



Sarah Wiesener
Company Secretary

28 February 2011

ING REAL ESTATE COMMUNITY LIVING GROUP

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

REAL ESTATE INVESTMENT MANAGEMENT



www.ingrealestate.com.au

ING Real Estate Community Living Group

Interim report

For the half-year ended 31 December 2010

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The ING Real Estate Community Living Group has been formed by the stapling of the units in two Australian registered schemes, ING Real Estate Community Living Fund (ARSN 107 459 576) and ING Real Estate Community Living Management Trust (ARSN 122 928 410). ING Management Limited (ABN 15 006 065 032; AFS licence number 237534), the Responsible Entity of these two schemes, is incorporated and domiciled in Australia.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by the Fund during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

ING Real Estate Community Living Group

Directors' report

For the half-year ended 31 December 2010

The ING Real Estate Community Living Group (the "Group") was formed on 11 January 2007 by the stapling of the units in two property trusts, ING Real Estate Community Living Fund (the "Fund") and ING Real Estate Community Living Management Trust ("ILMT") (collectively the "Trusts"). The Responsible Entity for both Trusts is ING Management Limited, which now presents its report together with the financial reports for the half-year ended 31 December 2010 and the independent auditor's review report thereon.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Fund has been identified as the parent for preparing consolidated financial reports.

The directors' report is a combined directors' report that covers both Trusts. The financial information given for the Group is taken from the consolidated financial statements and notes of the Fund.

Directors

The directors of the Responsible Entity at any time during or since the end of the half-year were:

Kevin McCann AM	Chairman; appointed 23 September 2010
Philip Clark AM	
Michael Easson AM	
Paul Scully	
Christophe Tanghe	
Richard Colless AM	Resigned 22 September 2010

Except as noted, these persons were directors of the Responsible Entity during the whole of the half-year and up to the date of this report.

Review and results of operations

A summary of the Trusts' results for the half-year ended 31 December 2010 is:

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
Profit/(loss) from continuing operations for the half-year (\$'000)	10,683	(44,670)	6,198	(9,843)
Net profit/(loss) attributable to unitholders (\$'000)	10,342	(51,579)	6,184	(7,859)
Operating income from continuing operations (\$'000)	5,104	9,063	(1,275)	(170)
Distributions per unit (cents)	-	-	-	-
Per stapled unit:				
Earnings per unit from continuing operations - basic and diluted (cents)	2.4	(10.1)	na	na
Operating income from continuing operations (cents)	1.2	2.1	na	na
Operating income (cents)	1.0	2.4	na	na

The Responsible Entity uses the Group's operating income as an additional performance indicator. Operating income does not take into account certain items recognised in the income statement including unrealised gains or losses on the revaluation of the Group's investment properties and derivatives.

ING Real Estate Community Living Group **Directors' report** **For the half-year ended 31 December 2010**

Operating income for the half-year has been calculated as follows:

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Net profit/(loss) attributable to unitholders	10,342	(51,579)	6,184	(7,859)
Adjusted for:				
(Profit)/loss from discontinued operations for the half-year	341	6,909	14	(1,984)
Net foreign exchange loss	314	119	-	-
Net gain on disposal of investment property	(739)	-	-	-
Net (gain)/loss on change in fair value of:				
Investment properties	4,627	29,944	(7,925)	4,203
Derivatives	1,716	(18,113)	-	-
Retirement village residents' loans	(63)	813	(63)	813
Items included in share of net profit of equity accounted investments:				
Investment properties	(11,629)	37,557	(259)	-
Derivatives	(63)	(146)	-	-
Gain on revaluation of newly constructed retirement villages	845	2,210	1,361	3,609
Borrowing costs amortisation returned	-	207	-	-
Discount on deferred purchase price included in share of net profit of equity accounted investments	-	60	-	-
Deferred income tax (benefit)/expense	(587)	1,082	(587)	1,048
Operating income from continuing operations	5,104	9,063	(1,275)	(170)
Operating income from discontinuing operations	(479)	1,637	-	673
Operating income	4,625	10,700	(1,275)	503

Operating income decreased by 57% to \$4,625,000 from \$10,700,000 for the December 2010 half-year. The decrease is largely attributable to reduced cross currency swap interest income and reduced share of profits from associates due to the sale of the US Seniors Meridian portfolio in May 2010.

Operating income per stapled unit for the 2010 half-year was down 58% to 1.0 cents, compared to 2.4 cents per unit previously.

No distributions were made by the Group during the December 2010 half year.

Earnings per stapled unit as calculated under applicable accounting standards for the half-year ended 31 December were up 124% to 2.4 cents, compared to a loss of 10.1 cents per unit for the previous corresponding half-year.

Total assets decreased by \$55,082,000 or 11% to \$439,196,000 over the half-year primarily due to disposals, revaluations and exchange rate movements.

ING Real Estate Community Living Group
Directors' report
For the half-year ended 31 December 2010

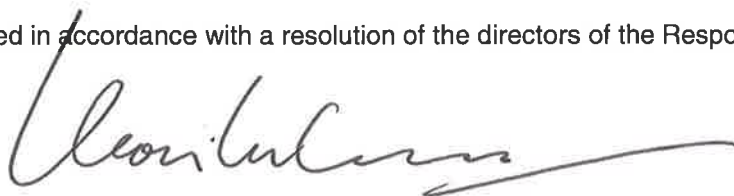
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Trusts' are of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this report and the financial report. Amounts in these reports have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of the Responsible Entity.

A handwritten signature in dark ink, appearing to read 'Kevin McCann', with a long horizontal flourish extending to the right.

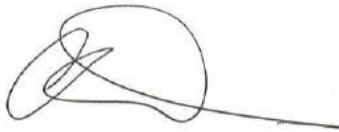
Kevin McCann AM
Chairman
Sydney
28 February 2011

Auditor's Independence Declaration to the Directors of ING Management Limited as Responsible Entity for ING Real Estate Community Living Fund and ING Real Estate Community Living Management Trust

In relation to our review of the financial reports of ING Real Estate Community Living Fund and its controlled entities and ING Real Estate Community Living Management Trust and its controlled entities for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of the Ernst & Young firm, written in black ink.

Ernst & Young

A handwritten signature of Chris Lawton, written in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

Chris Lawton
Partner
28 February 2011

ING Real Estate Community Living Group
Consolidated income statements
For the half-year ended 31 December 2010

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue from continuing operations					
Rental income		10,611	9,750	10,611	9,697
Deferred management fee		2,135	2,163	2,135	2,163
Other property income		1,506	1,482	1,506	1,482
Interest income		304	246	38	110
		14,556	13,641	14,290	13,452
Other income					
Net foreign exchange gain/(loss)		(292)	41	46	2
Net gain on disposal of investment properties		739	-	-	-
Net gain/(loss) on change in fair value of:					
Investment properties		(4,627)	(29,944)	7,925	(4,203)
Derivatives		(1,716)	18,113	-	-
Retirement village residents' loans		63	(813)	63	(813)
Expenses					
Property expenses		(9,604)	(9,902)	(15,211)	(15,033)
Finance costs		(2,953)	(712)	(1,576)	(1,750)
Responsible Entity's fees		(706)	(1,692)	(146)	-
Other		(538)	(1,866)	(51)	(450)
Share of net profit/(loss) of equity accounted investments	4	15,241	(30,454)	271	-
Profit/(loss) before income tax		10,163	(43,588)	5,611	(8,795)
Income tax benefit/(expense)		520	(1,082)	587	(1,048)
Profit/(loss) from continuing operations for the half-year		10,683	(44,670)	6,198	(9,843)
Profit/(loss) from discontinued operations for the half-year	7	(341)	(6,909)	(14)	1,984
Net profit/(loss) attributable to unitholders		10,342	(51,579)	6,184	(7,859)
Attributable to unit holders of:					
ING Real Estate Community Living Fund		4,158	(43,720)	-	-
ING Real Estate Community Living Management Trust		6,184	(7,859)	6,184	(7,859)
		10,342	(51,579)	6,184	(7,859)

ING Real Estate Community Living Group
Consolidated income statements
For the half-year ended 31 December 2010

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		2010	2009	2010	2009
		Cents	Cents	Cents	Cents
Distributions per unit	na	-	-	-	-
Earnings per unit from continuing operations - basic and diluted					
Per stapled unit	2	2.4	(10.1)	na	na
Per unit of each trust	2	1.0	(7.9)	1.4	(2.2)
Earnings per unit - basic and diluted					
Per stapled unit	2	2.3	(11.7)	na	na
Per unit of each trust	2	0.9	(9.9)	1.4	(1.8)

ING Real Estate Community Living Group
Consolidated statements of comprehensive income
For the half-year ended 31 December 2010

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Net profit/(loss) for the half-year	10,342	(51,579)	6,184	(7,859)
Other comprehensive income:				
Exchange differences on translation of foreign operations	(6,883)	(10,007)	1,690	(110)
Total comprehensive income for the half-year	3,459	(61,586)	7,874	(7,969)
Total comprehensive income for the half-year is attributable to:				
ING Real Estate Community Living Fund	(4,415)	(53,617)	-	-
ING Real Estate Community Living Management Trust	7,874	(7,969)	7,874	(7,969)
	3,459	(61,586)	7,874	(7,969)

ING Real Estate Community Living Group
Consolidated balance sheets
As at 31 December 2010

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		31 Dec 2010 \$'000	30 Jun 2010 \$'000	31 Dec 2010 \$'000	30 Jun 2010 \$'000
Current assets					
Cash and cash equivalents		11,332	19,731	2,283	3,230
Trade and other receivables		4,153	5,531	13,586	12,370
Derivatives		58	2,418	-	-
Assets of discontinued operations		18,822	58,233	-	100
		34,365	85,913	15,869	15,700
Non-current assets					
Trade and other receivables		1,421	2,104	2,351	2,303
Investment properties	3	344,274	352,823	212,645	206,712
Plant and equipment		298	228	298	228
Equity accounted investments	4	58,838	53,210	985	-
		404,831	408,365	216,279	209,243
Total assets		439,196	494,278	232,148	224,943
Current liabilities					
Payables		18,830	39,183	9,941	13,603
Retirement village residents' loans		145,709	140,945	145,709	140,945
Borrowings		-	-	183	183
Derivatives		107	141	-	-
Liabilities of discontinued operations		22,515	62,143	3,803	4,347
		187,161	242,412	159,636	159,078
Non-current liabilities					
Borrowings		129,705	131,798	68,014	68,655
Derivatives		-	611	-	-
Deferred tax liabilities		8,849	9,435	8,849	9,435
		138,554	141,844	76,863	78,090
Total liabilities		325,715	384,256	236,499	237,168
Net assets		113,481	110,022	(4,351)	(12,225)
Unitholders' interest					
Issued units	5	490,044	490,044	3,351	3,351
Reserves		(18,364)	(11,481)	(707)	(2,397)
Accumulated losses		(358,199)	(368,541)	(6,995)	(13,179)
Total unitholders' interest		113,481	110,022	(4,351)	(12,225)
Attributable to unit holders of:					
ING Real Estate Community Living Fund					
Issued units	5	486,693	486,693	-	-
Reserves		(17,657)	(9,084)	-	-
Accumulated losses		(351,204)	(355,362)	-	-
		117,832	122,247	-	-
ING Real Estate Community Living Management Trust		(4,351)	(12,225)	(4,351)	(12,225)
		113,481	110,022	(4,351)	(12,225)
Net tangible assets per unit		\$0.26	\$0.25		

ING Real Estate Community Living Group
Consolidated statements of changes in unitholders' interest
As at 31 December 2010

	Note	ING Real Estate Community Living Group Issued Capital	Reserves	Retained earnings	Total
		\$'000	\$'000	\$'000	\$'000
Carrying amounts at 1 July 2009		490,186	(11,552)	(300,966)	177,668
Net loss for the half year		-	-	(51,579)	(51,579)
Other comprehensive income		-	(10,007)	-	(10,007)
Total comprehensive income for the half-year		-	(10,007)	(51,579)	(61,586)
Transactions with unitholders in their capacity as equity holders:					
Borrowing cost amortisation returned	5	(144)	-	-	(144)
Carrying amounts at 31 December 2009		490,042	(21,559)	(352,545)	115,938
Carrying amounts at 1 July 2010		490,044	(11,481)	(368,541)	110,022
Net profit for the half year		-	-	10,342	10,342
Other comprehensive income		-	(6,883)	-	(6,883)
Total comprehensive income for the half-year		-	(6,883)	10,342	3,459
Carrying amounts at 31 December 2010		490,044	(18,364)	(358,199)	113,481

	ING Real Estate Community Living Management Trust			
	Issued Capital	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amounts at 1 July 2009	3,351	(2,145)	12,760	13,966
Net loss for the half year	-	-	(7,859)	(7,859)
Other comprehensive income	-	(110)	-	(110)
Total comprehensive income for the half-year	-	(110)	(7,859)	(7,969)
Carrying amounts at 31 December 2009	3,351	(2,255)	4,901	5,997
Carrying amounts at 1 July 2010	3,351	(2,397)	(13,179)	(12,225)
Net profit for the half year	-	-	6,184	6,184
Other comprehensive income	-	1,690	-	1,690
Total comprehensive income for the half-year	-	1,690	6,184	7,874
Carrying amounts at 31 December 2010	3,351	(707)	(6,995)	(4,351)

ING Real Estate Community Living Group
Consolidated cash flow statements
For the half-year ended 31 December 2010

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rental and other property income received		16,168	11,284	11,195	9,119
Proceeds from residents' loans		4,869	12,282	4,869	12,282
Repayment of residents' loans		(2,017)	-	(2,017)	-
Property and other expenses		(16,095)	(11,154)	(10,736)	(17,305)
Distributions received from equity accounted investments		1,422	4,068	-	-
Interest received		305	225	38	110
Borrowing costs paid		(379)	(1,351)	(977)	(1,175)
		<u>4,273</u>	<u>15,354</u>	<u>2,372</u>	<u>3,031</u>
Cash flows from investing activities					
Additions to investment properties		(3,882)	(4,138)	(3,142)	(3,476)
Proceeds from sale of investment properties		2,991	2,010	-	-
Purchase of equity accounted investments	4	-	(6,453)	-	-
Return of capital from equity accounted investments		766	-	-	-
		<u>(125)</u>	<u>(8,581)</u>	<u>(3,142)</u>	<u>(3,476)</u>
Cash flows from financing activities					
Termination of derivatives		(16,020)	-	-	-
Proceeds from borrowings		17,030	6,533	-	-
Repayment of borrowings		(13,241)	(9,113)	(135)	(136)
		<u>(12,231)</u>	<u>(2,580)</u>	<u>(135)</u>	<u>(136)</u>
Net increase/(decrease) in cash		(8,083)	4,193	(905)	(581)
Cash at the beginning of the half-year		20,246	10,478	3,230	2,371
Effects of exchange rate changes on cash		(468)	(264)	(42)	(65)
Cash at the end of the half-year		<u>11,695</u>	<u>14,407</u>	<u>2,283</u>	<u>1,725</u>

ING Real Estate Community Living Group

Notes to the financial statements

For the half-year ended 31 December 2010

1. Basis of preparation

(a) The Group

The ING Real Estate Community Living Group ("the Group") was formed on 11 January 2007 by the stapling of the units in two property trusts, ING Real Estate Community Living Fund (the "Fund") and ING Real Estate Community Living Management Trust ("ILMT") (collectively the "Trusts").

The two Trusts have common business objectives and operate as an economic entity collectively known as ING Real Estate Community Living Group.

(b) General

This general purpose financial report for the half-year ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (the "Act").

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Fund has been identified as the parent for preparing consolidated financial reports.

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission, this financial report is a combined financial report that presents the financial statements and accompanying notes of both the Group (being the consolidated financial statements and notes of the Fund) and ILMT.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Act.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(c) Going concern

At 31 December 2010 and at the date of this report, the carrying amount of the Group's Australian secured bank debt was \$102,724,000. This debt is due for repayment on 28 March 2013 and is secured by mortgages over the Group's Australian investment properties and other assets.

The net fair value of liabilities to that bank under interest rate derivative agreements at 31 December 2010 was \$49,000. Payments under these agreements extend to 28 March 2013, but may be accelerated in the circumstances described below.

One of the financial covenants required to be met under the relevant facility agreement is that the amount of the debt must not exceed a percentage of the last independent valuation of the Group's Australian investment properties. The percentage varies by type of property. At 31 December 2010, the excess of the percentage of valuation over the amount of the debt was \$1,962,000 (1.9%); in addition, the Group had available cash reserves of \$11,332,000 that could have been applied to debt reduction.

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

1. Basis of preparation (continued)

(c) Going concern (continued)

Continued compliance with this covenant, and the facility agreement generally, is dependent on future market conditions including fair values of investment properties and trading results. If changes in future market conditions result in a breach of a financial ratio covenant, or if there is some other breach of the agreement, the breach could be waived by the bank or, in some cases, the breach may be prevented or rectified by a capital raising or by asset sales. However, there can be no assurance that these could be achieved. If a breach occurred and was not waived or rectified, the bank concerned would have the right to require immediate repayment of the debt and settlement of the derivatives entered into with it. If the bank exercised that right, it is likely that assets would not be realised, and liabilities would not be discharged, in the ordinary course of business.

Despite these significant uncertainties, the directors have concluded that there are reasonable grounds to believe that the going concern basis is appropriate.

2. Earnings per unit

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
(a) Per stapled unit				
Profit/(loss) from continuing operations (\$'000)	10,683	(44,670)	na	na
Loss from discontinued operations (\$'000)	(341)	(6,909)	na	na
Weighted average number of units outstanding (thousands)	441,029	441,029	na	na
Basic and diluted earnings per unit from continuing operations (cents)	2.4	(10.1)	na	na
Basic and diluted earnings per unit from discontinued operations (cents)	(0.1)	(1.6)	na	na
Basic and diluted earnings per unit (cents)	2.3	(11.7)	na	na
(b) Per unit of each trust				
Profit/(loss) from continuing operations (\$'000)	4,485	(34,827)	6,198	(9,843)
Profit/(loss) from discontinued operations (\$'000)	(327)	(8,893)	(14)	1,984
Weighted average number of units outstanding (thousands)	441,029	441,029	441,029	441,029
Basic and diluted earnings per unit from continuing operations (cents)	1.0	(7.9)	1.4	(2.2)
Basic earning per unit from discontinued operations (cents)	(0.1)	(2.0)	(0.0)	0.4
Basic and diluted earning per unit (cents)	0.9	(9.9)	1.4	(1.8)

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

3. Investment properties

(a) Summary of carrying amounts

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	31 Dec	30 Jun	31 Dec	30 Jun
	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000
Non-current:				
Completed properties	339,804	346,163	210,655	203,152
Properties under construction	4,470	6,660	1,990	3,560
	344,274	352,823	212,645	206,712

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

3. Investment properties (continued)

(b) Individual valuations and carrying amounts

Property	Date	Cost	Latest	Carrying amount		Capitalisation rate		
	of	to date	external valuation	31 Dec	30 Jun	31 Dec	30 Jun	
	purchase		Date	Amount	2010	2010	2010	2010
		\$'000		\$'000	\$'000	\$'000	%	%
<i>Garden Villages Portfolio</i>								
Yakamia Gardens	Jun 04	5,954	Dec 09	4,850	4,309	4,850	9.8%	8.8%
Mardross Gardens	Jun 04	5,573	Dec 09	3,850	2,510	3,850	10.3%	9.3%
Seville Grove Gardens	Jun 04	4,051	Dec 10	3,100	3,100	3,550	10.0%	9.0%
Hertford Gardens	Jun 04	3,726	Dec 09	2,400	1,340	2,400	10.0%	8.8%
Carey Park Gardens	Jun 04	4,879	Dec 09	3,450	3,840	3,450	10.0%	8.8%
Jefferis Gardens	Jun 04	5,089	Dec 09	2,500	2,500	2,500	10.0%	7.8%
Cessnock Gardens	Jun 04	5,651	Dec 09	4,570	3,231	4,570	10.0%	9.0%
Claremont Gardens	Jun 04	4,713	Dec 09	2,900	3,390	2,900	10.0%	9.0%
Taloumbi Gardens	Jun 04	4,960	Dec 10	3,730	3,730	4,150	10.3%	9.0%
Davenport Gardens	Jun 04	4,238	Dec 09	2,350	2,750	2,350	10.0%	8.3%
Wheelers Gardens	Jun 04	4,616	Dec 09	3,000	1,860	3,000	10.3%	9.3%
Elphinwood Gardens	Jun 04	4,574	Dec 10	3,600	3,600	3,100	10.0%	9.0%
Glenorchy Gardens	Jun 05	4,360	Dec 09	3,500	3,290	3,500	10.0%	9.0%
Chatsbury Gardens	Jun 04	4,976	Dec 09	3,200	3,370	3,200	10.0%	9.0%
Grovedale Gardens	Jun 05	5,433	Dec 10	3,400	3,400	3,550	10.3%	9.3%
Horsham Gardens	Jun 04	4,627	Dec 09	2,800	3,060	2,800	10.0%	9.0%
Ipswich Gardens	Jun 04	4,922	Dec 09	1,950	930	901	10.5%	9.5%
Kingston Gardens	Jun 05	-	Dec 09	2,250	-	2,250	-	8.8%

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

3. Investment properties (continued)

Property	Date of purchase	Cost to date \$'000	Latest external valuation		Carrying amount		Capitalisation rate	
			Date	Amount \$'000	31 Dec 2010 \$'000	30 Jun 2010 \$'000	31 Dec 2010 %	30 Jun 2010 %
Lovely Banks Gardens	Jun 05	5,942	Dec 09	3,750	2,470	3,750	10.0%	9.0%
Sea Scape Gardens	Jun 04	4,525	Dec 09	3,850	4,160	3,850	10.0%	9.3%
Marsden Gardens	Jun 05	8,855	Dec 10	7,300	7,300	8,340	10.1%	9.5%
Coburns Gardens	Jun 04	4,333	Dec 09	2,350	1,490	2,350	10.0%	9.0%
Brooklyn Gardens	Jun 04	4,240	Dec 09	2,500	1,930	2,500	10.5%	9.5%
Oxley Gardens	Jun 04	4,595	Dec 09	2,600	2,470	2,600	10.0%	8.0%
Townsend Gardens	Jun 04	4,979	Dec 09	3,100	3,010	3,100	10.0%	9.0%
St Albans Park Gardens	Jun 04	4,988	Dec 09	3,250	2,720	3,250	10.0%	9.0%
Swan View Gardens	Jan 06	7,167	Dec 10	6,130	6,130	7,000	10.0%	9.0%
Taree Gardens	Dec 04	4,652	Dec 09	2,799	2,950	2,800	10.0%	8.0%
Toowoomba Gardens	Dec 04	3,983	Dec 09	3,000	2,130	3,000	10.0%	8.5%
Newtown Gardens	Jun 04	4,418	Dec 09	3,450	2,800	3,450	10.3%	9.3%
Glenvale Gardens	Jun 04	3,993	Dec 09	2,250	2,370	2,250	10.0%	5.3%
Forest Lake Gardens	Nov 05	13,747	Dec 09	11,050	9,398	11,050	9.3%	9.3%
South Gladstone Gardens	Nov 05	8,169	Dec 09	5,260	4,623	5,260	9.3%	8.0%
Rockhampton Gardens	Nov 05	10,575	Dec 09	6,800	6,710	6,800	9.3%	8.0%
US Seniors Portfolio								
Lynbrook, New York	Dec 07	27,803	Dec 09	22,167	22,140	23,667	7.25%	9.0%
Settlers Portfolio ⁽¹⁾							Discount rate	
Lakeside	Apr 07	69,705	Dec 09	71,691	83,716	75,120	13.0%	13.5%
Noyea Park	Apr 07	2,463	Dec 10	1,531	1,531	1,327	14.0%	13.5%
Meadow Springs	Apr 07	20,200	Dec 09	17,185	18,904	17,367	13.0%	13.5%
Ridgewood	Apr 07	80,775	Dec 09	93,903	100,642	100,461	13.0%	13.5%
		<u>382,449</u>		<u>333,316</u>	<u>339,804</u>	<u>346,163</u>		
Total completed properties		<u>382,449</u>		<u>333,316</u>	<u>339,804</u>	<u>346,163</u>		

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

3. Investment properties (continued)

Property	Date	Cost	Latest	Carrying amount		Capitalisation rate		
	of	to date	external valuation	31 Dec	30 Jun	31 Dec	30 Jun	
	purchase		Date	Amount	2010	2010	2010	2010
		\$'000		\$'000	\$'000	\$'000	%	%
Properties under construction - non-current								
Garden Villages Portfolio								
Lovely Banks Gardens - land	Jun 05	862	Dec 09	310	310	310	-	-
Settlers Portfolio								
							Discount rate	
Noyea Park	Apr 07	3	Dec 09	-	-	-	14.0%	13.5%
Ridgewood	Apr 07	2,970	Dec 09	3,040	2,410	3,040	13.0%	13.5%
Lakeside	Apr 07	1,407	Dec 09	-	-	1,350	13.0%	13.5%
Meadow Springs	Apr 07	2,470	Dec 09	1,960	1,750	1,960	13.0%	13.5%
		<u>7,712</u>		<u>5,310</u>	<u>4,470</u>	<u>6,660</u>		
Total investment properties		390,161		338,626	344,274	352,823		

- (1) Valuations of retirement villages are provided to the Group net of residents' loans (after deducting any accrued deferred management fees). For presentation in this note, the external valuations shown are stated before deducting this liability to reflect its separate balance sheet presentation. The carrying amounts include the fair value of units completed since the date of the external valuation.
- (2) Investment property that has not been valued by external valuers at reporting date is carried at the Responsible Entity's estimate of fair value in accordance with the Fund's accounting policy.
- (3) Valuations made in a foreign currency have been converted at the rate of exchange ruling at reporting date.

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

3. Investment properties (continued)

(c) Movements in carrying amounts

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
<i>Completed investment properties</i>					
Carrying amount at beginning of half-year		346,163	462,931	203,152	197,757
Exchange rate fluctuations		(4,301)	(3,300)	(4,301)	(2,933)
Additions to existing property		1,038	1,156	763	703
Transferred from property under construction		3,928	3,494	2,942	2,913
Disposals		(2,250)	(2,105)	-	-
Transferred to discontinued operations		-	(96,887)	-	-
Net change in fair value		(4,774)	(29,522)	8,099	(3,656)
Carrying amount at end of half-year		339,804	335,767	210,655	194,784
<i>Properties under construction</i>					
Carrying amount at beginning of half-year		6,660	8,575	3,560	2,680
Additions to existing property		2,391	2,982	2,346	2,772
Disposals		-	(310)	-	-
Transferred to completed investment properties		(3,928)	(3,494)	(2,942)	(2,913)
Net change in fair value		(653)	(593)	(974)	(547)
Carrying amount at end of half-year		4,470	7,160	1,990	1,992

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

4. Equity accounted investments

(a) Details of investments

Name	Principal activity	Ownership interest 31 December	
		2010	2009
ING Real Estate Community Living Fund			
Chartwell ING Regency Master LP	Real estate investment	0%	50%
CSH - INGRE LLC	Real estate investment	50%	49%
ING NZ Subsidiary Trust No 1 (1)	Real estate investment	90%	90%
ING Real Estate CC Trust No 1 (1) (2)	Real estate investment	0%	90%
ING Real Estate Community Living Management Trust			
Regency LTC Operating LP	Operator of long term care facilities	0%	50%

- (1) Although the Group has the economic interest shown, it does not hold any voting rights of this entity. Consequently, the Responsible Entity has determined that the Group's ownership interest does not give the Group the capacity to control the entity but rather the power to exercise significant influence.
- (2) During the half-year ILMT acquired the interest in ING Real Estate CC Trust No 1 not held by the Fund for \$10 and as a result the entity is now a subsidiary and consolidated within the Group's accounts.

(b) Share of assets and liabilities

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	31 Dec 2010 \$'000	30 Jun 2010 \$'000	31 Dec 2010 \$'000	30 Jun 2010 \$'000
Total assets	311,636	355,199	5,743	-
Total liabilities	(252,798)	(301,989)	(4,758)	-
Net assets	58,838	53,210	985	-

(c) Share of results

	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue	35,980	49,734	165	-
Gain/(loss) on change in fair value of:				
Investment properties	11,629	(37,557)	259	-
Derivatives	63	146	-	-
Expenses	(32,431)	(42,777)	(153)	-
Profit/(loss) before income tax	15,241	(30,454)	271	-
Income tax expense	-	-	-	-
Profit/(loss) for the half-year	15,241	(30,454)	271	-

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

5. Issued units

(a) Carrying amounts

	Note	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
At beginning of half-year		490,044	490,186	3,351	3,351
Borrowing cost amortisation returned	(c)	-	(144)	-	-
At end of half-year		490,044	490,042	3,351	3,351

The closing balance is attributable to the unitholders of:

ING Real Estate Community Living Fund	486,693	486,691	-	-
ING Real Estate Community Living Management Trust	3,351	3,351	3,351	3,351
	490,044	490,042	3,351	3,351

(b) Number of issued units

	2010 thousands	2009 thousands	2010 thousands	2009 thousands
At beginning of half-year	441,029	441,029	441,029	441,029
Issued during the half-year:				
Placements and rights issues	-	-	-	-
Distribution reinvestment plan	-	-	-	-
Unit purchase plan	-	-	-	-
At beginning and end of half-year	441,029	441,029	441,029	441,029

(c) Borrowing cost amortisation

As set out in the Product Disclosure Statement lodged with the Australian Securities and Investment Commission on 21 May 2004, the Group has transferred to retained profits for possible distribution an amount equal to amortisation of debt issue costs.

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

6. Segment information

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Segment revenue				
Garden Villages	10,887	10,148	10,887	10,095
Settlers	2,433	2,455	2,433	2,455
United States Seniors	932	792	932	792
New Zealand Students	-	-	-	-
	14,252	13,395	14,252	13,342
Interest income	304	246	38	110
Total revenue	14,556	13,641	14,290	13,452
Segment result				
Garden Villages	2,831	3,062	(2,718)	(2,515)
Settlers	1,681	2,251	2,197	3,650
United States Seniors	3,960	7,085	935	783
New Zealand Students	570	262	-	-
	9,042	12,660	414	1,918
Interest income	304	246	38	110
Net foreign exchange gain/(loss)	(292)	41	46	2
Net gain on disposal of investment properties	739	-	-	-
Net gain/(loss) on change in fair value of:				
Investment properties	(4,627)	(29,944)	7,925	(4,203)
Derivatives	(1,716)	18,113	-	-
Retirement village residents' loans	63	(813)	63	(813)
Items included in share of net profit of equity accounted investments:				
Investment properties	11,629	(37,557)	259	-
Derivatives	63	146	-	-
Finance costs	(2,953)	(712)	(1,576)	(1,750)
Responsible Entity's fees	(706)	(1,692)	(146)	-
Other expenses	(538)	(1,866)	(51)	(450)
Gain on revaluation of newly constructed retirement villages	(845)	(2,210)	(1,361)	(3,609)
Profit/(loss) from continuing operations for the half-year	10,163	(43,588)	5,611	(8,795)

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

6. Segment information (continued)

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	31 Dec 2010 \$'000	30 Jun 2010 \$'000	31 Dec 2010 \$'000	30 Jun 2010 \$'000
Segment assets				
Garden Villages	116,839	132,770	4,262	1,689
Settlers	209,754	203,104	190,538	185,516
United States Seniors	74,551	71,859	26,276	27,268
New Zealand Students	9,580	9,396	-	-
Now discontinued	18,822	58,233	-	100
Unallocated	9,650	18,916	11,072	10,370
	439,196	494,278	232,148	224,943

7. Discontinued operations

(a) Details of discontinued operations

On 23 November 2009, the Group announced that it would cease to provide financial support to its United States Students business which previously enabled that business to meet interest and principal payments on debt. This resulted in a breach of the related borrowing agreements. The Group is in discussions with the debt providers to effectively dispose of this business by means of the debt providers taking over the properties through a deed-in-lieu process. The debt providers have no recourse to the other assets of the Group except in limited circumstances.

On 7 December 2009, the Group entered into an agreement to sell its Canadian Seniors business. The sale of this business settled in June 2010.

These disposals are consistent with the Group's previously announced policy to focus on its Seniors business in Australia and the United States.

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

7. Discontinued operations (continued)

(b) Financial performance

The financial performance of components of the Group disposed of or classified as discontinued operations at 31 December 2010 were:

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Revenue	2,513	7,128	-	-
Net gain/(loss) on change in fair value of investment properties	138	(4,291)	-	-
Other income	204	-	-	-
Expenses	(3,196)	(8,061)	-	-
Share of gain/(loss) of equity accounted investments	-	(3,157)	(14)	1,582
Profit/(loss) from operating activities before income tax	(341)	(8,381)	(14)	1,582
Income tax benefit	-	1,472	-	402
Profit/(loss) from operating activities	(341)	(6,909)	(14)	1,984
Profit/(loss) from discontinued operations for the half-year	(341)	(6,909)	(14)	1,984

(c) Cash flows

The cash flows of components of the Group disposed of or classified as discontinued operations at 31 December 2010 were:

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Net cash flow from operating activities	605	(1,259)	-	-
Net cash flows from investing activities	(669)	5,425	-	-
Net cash flow from financing activities	-	(4,465)	-	-
Net cash flows from discontinued operations	(64)	(299)	-	-

ING Real Estate Community Living Group
Notes to the financial statements
For the half-year ended 31 December 2010

7. Discontinued operations (continued)

(d) Assets and liabilities

The assets and liabilities of components of the Group classified as disposal groups at each reporting date were:

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	31 Dec 2010 \$'000	30 Jun 2010 \$'000	31 Dec 2010 \$'000	30 Jun 2010 \$'000
Assets				
Cash and cash equivalents	363	515	-	-
Trade and other receivables	-	1,444	-	100
Investment properties	18,459	56,274	-	-
Total assets	18,822	58,233	-	100
Liabilities				
Payables	359	1,432	-	-
Borrowings	22,156	60,711	3,803	4,347
Total liabilities	22,515	62,143	3,803	4,347
Net assets of disposal groups	(3,693)	(3,910)	(3,803)	(4,247)

(e) Details of disposals

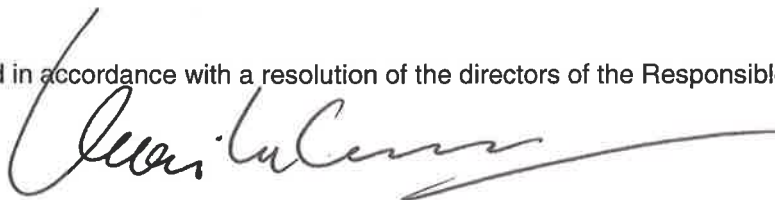
ILF disposed of investment properties within five US Student LLCs during the period for nil consideration which had investment property value USD 29,348,000 and interest bearing liabilities of USD 28,348,000.

ING Real Estate Community Living Group
Directors' declaration
For the half-year ended 31 December 2010

In the opinion of the directors of ING Management Limited, the Responsible Entity of ING Real Estate Community Living Fund and ING Real Estate Community Living Management Trust (the "Trusts"):

- (a) the financial statements and notes of the Trusts are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Trusts' financial position as at 31 December 2010 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the half-year ended on that date; and
 - (ii) complying with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that each Trust will be able to pay its debts as and when they become due and payable. In reaching this conclusion, the directors considered the matters discussed at note1(c).

Signed in accordance with a resolution of the directors of the Responsible Entity

A handwritten signature in dark ink, appearing to read 'Kevin McCann', with a long horizontal flourish extending to the right.

Kevin McCann AM
Chairman
Sydney
28 February 2011

To the stapled security holders of ING Real Estate Community Living Fund and ING Real Estate Community Living Management Trust ("the Trusts")

Report on the Interim Financial Reports

We have reviewed the accompanying interim financial report of ING Real Estate Community Living Group (the consolidated stapled entity or the Group), comprising both ING Real Estate Community Living Fund and ING Real Estate Community Living Management Trust and the entities they controlled, and the interim financial report of ING Real Estate Community Living Management Trust and the entities it controlled, which comprise the balance sheets as at 31 December 2010, the income statements, the statements of comprehensive income, the statements of changes in unitholders' interest and the cash flow statements for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Trusts and the entities they controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Reports

The directors ING Management Limited, as the Responsible Entity of the Trusts are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial reports that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial reports based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ING Real Estate Community Living Fund and the entities it controlled during the period, and ING Real Estate Community Living Management Trust and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the fund a written Auditor's Independence Declaration, a copy of which is attached to the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of ING Real Estate Community Living Group and ING Real Estate Community Living Management Trust is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

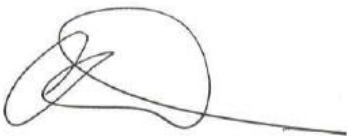
Significant Uncertainty as to Going Concern

Without qualifying our conclusion, we draw attention to Note 1(c) in the half-year financial report which indicates that, as at 31 December 2010, the Group is within 1.9% of its Loan to Value Ratio covenant, and that the Group's continued compliance with the terms of its financial covenants is dependent on future market conditions including fair values of investment properties and trading results.

These factors cast doubt over whether the Group will realise its assets and liabilities in the normal course of business and at the amounts stated in the half-year financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

A stylized, handwritten signature of Ernst & Young.

Ernst & Young

A handwritten signature of Chris Lawton.

Chris Lawton
Partner
Sydney
28 February 2011