

Premium Income Fund

NSX Release: 30 March 2011



Sales Strategy

Capital returns to Unitholders

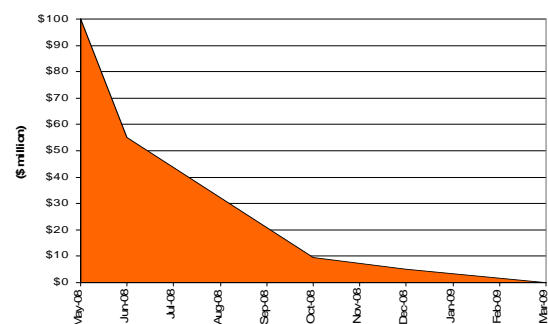
Wellington Capital Limited as responsible entity of the Premium Income Fund understands that the return of the existing value of the Fund to Unitholders is the priority and will take over half of the assets of the Fund (by value) to market this year.

Wellington Capital is committed to returning the net cash from sales to Unitholders as properties are sold. Funds which are required to complete other projects will be retained so that those properties can also be finalised and sold.

No Fund debt

The strategy for the assets in Port Macquarie and Wollongong has enabled the Fund to ensure incomplete projects are completed, without the Fund itself having debt. Full payment of the Fund's debt facility occurred on 23 March 2009. The Fund's \$100 million of debt was fully repaid through asset realisations.

Wellington Capital is committed to ensuring that the Fund does not find itself in a position where it needs to obtain external debt.



Active realisation of hotel assets and other completed assets

Wellington Capital will undertake an active campaign to divest the Fund of its completed large assets, particularly the three hotel and resort complexes.

Hotel assets for sale

Kooralbyn International Resort











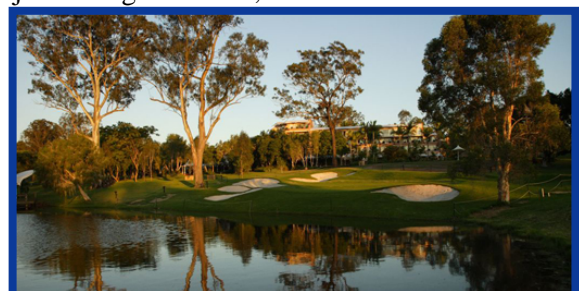
Property overview

This property is located in the Gold Coast Hinterland and comprises 339 hectares of land.

The Fund is mortgagee in possession of this property, has prepared the property for sale, and taken steps to ensure the physical security of the property has been preserved.

The property includes:

-  100 room hotel which includes a tennis complex, entertainment complex, 36 hole mini-golf course;
-  golf course which includes a floodlit driving range;
-  vacant land suitable for residential development which adjoins the golf course;
-  equestrian facilities including 2 polo fields, a quarter mile Sprint horse track, 6 furlong race track, a rodeo arena and 40 stables;
-  36 room lodge;
-  Kooralbyn International School;
-  air strip plus airport terminal;
-  executive residences and development land; and



- ✿ partially completed mountainous adventure sports area.

The Kooralbyn International School remains fully operational. The resort itself has been closed since 2008.

Property currently subject to due diligence

The Kooralbyn assets are currently subject to due diligence. No contract has been finalised. The due diligence period expires on 15 May 2011.

If a contract has not been entered into between the due diligence party and the Fund by that date, the property will be marketed by a national real estate agency specialising in resort sales.

Chifley Wollongong

Property Overview

This complex is owned by Harbour Street Development Pty Ltd, a company controlled by Wellington Capital Limited for the benefit of the Premium Income Fund.

The complex comprises:

- ✿ residential apartments, 77 of the available 84 have been sold, and the remaining 7 are for sale;
- ✿ the hotel managed by the Constellation Group; and
- ✿ commercial area, which has been sold.

The Hotel

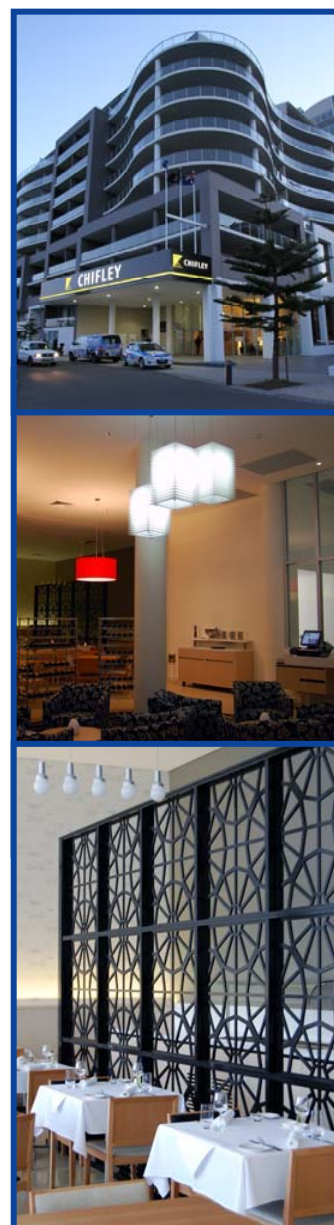
The hotel, known as Chifley Wollongong, opened on 1 September 2010. The 4.5 star rated hotel is situated on the Wollongong foreshore, a short distance from the beach, local restaurants and the central business district.

The hotel facilities include:

- ✿ 168 rooms and suites offering high speed internet, 100cm flat screen televisions and ocean views;
- ✿ 9 function rooms with a capacity of up to 500 guests including a media room and ballroom;
- ✿ a business lounge;
- ✿ 25 metre heated lap pool and gymnasium; and
- ✿ lobby bar and large restaurant overlooking WIN Stadium in Wollongong's premier entertainment and sporting precinct.

Sales process

The sale of this property will be actively pursued by the Fund's appointed agents during 2011.



Forest Resort, Creswick

Property Overview

This property is located in Creswick, in the goldfields district of Central Victoria, about 10 minutes from Ballarat and 90 minutes from Melbourne.

The Fund continues to operate this resort.



The resort is a 4.5 star rural retreat encompassing:

- ✿ a superior class Hotel with 144 quality guest rooms (both owned and leased) over four levels;
- ✿ wellness centre day spa;
- ✿ restaurant, bar and terrace;
- ✿ convention centre and function rooms;
- ✿ an 18 hole championship golf course.

The hotel is operated by Novotel and is complemented by 18 villas located towards the front of the hotel which are owned by the operator and utilised as part of the Accor Premiere Vacation Club.

The property includes surrounding residential development of up to 105 lots over stages 11-16 of the development.

The Resort opened in March 2008 and was awarded the 2008 Victorian Tourism Awards for the Best New Tourism Development.

Sales process

The sale of this property will be actively pursued by the Fund's appointed agents during 2011.

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