



Australian Government

Takeovers Panel

MEDIA RELEASE

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Premium Income Fund – Panel Receives Application

The Panel has received an application from Wellington Capital Limited as responsible entity for the Premium Income Fund (PIF) in relation to the affairs of PIF. PIF is the subject of a scrip takeover bid from ALF PIF Finance Limited (ALF Finance).

On 18 February 2011, ALF Finance lodged a notice of variation, extending the offer period to 14 June 2011. Wellington submits that the notice of variation was not sent to all PIF unitholders as required by the Corporations Act.

The application relates (among other things) to a letter from ALF Finance dated 18 April 2011 (ALF Finance Letter) which attached the notice of variation. Wellington submits it was sent to some but not all PIF unitholders. Wellington submits (among other things) that information contained in the ALF Finance Letter, and other documents released to the public by ALF Finance:

- contains information that is misleading or deceptive or omits information making the documents misleading or deceptive and
- refers to new circumstances since the bidder's statement was lodged which would have been required by s636 to be included in the bidder's statement.

Wellington submits that the circumstances:

- inhibit, or are likely to inhibit, the acquisition of control of PIF taking place in an efficient competitive and informed market and
- prevent, or are likely to prevent, PIF unitholders and Wellington directors from having enough information to:
 - enable them to assess the merits of the ALF Finance offer, contrary to s602(b)(iii) and
 - know the identity of the persons who propose to acquire a substantial interest in PIF, contrary to s602(b)(i).

Wellington seeks interim orders including that:

- **Mr James Byrnes and ALF Finance be prevented from publishing or dispatching any further material to PIF unitholders in respect of the offer pending final determination of the application and**
- **any acceptances of the offer received after 18 February 2011 by ALF Finance pending final determination of the application be not accepted and returned to the relevant PIF unitholder.**

Wellington seeks final orders including that ALF Finance:

- **send to PIF unitholders a supplementary bidder's statement correcting the disclosure and**
- **give each PIF unitholder the right to withdraw their acceptance.**

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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