

# Premium Income Fund

NSX Release: 19 September 2012



## Litigation Update – Summons dismissed

His Honour Justice Sifris of the Victorian Supreme Court this morning dismissed the application for declaratory and injunctive relief sought by the Defendants in 6858/2008 against Wellington Capital Limited and Asset Resolution Limited. The application was heard on 11 September 2012. At that time, the Defendants sought orders by way of declaration and injunction with respect to the sale of assets from Wellington Capital Limited as Responsible Entity of the Premium Income Fund and Perpetual Nominees Limited as custodian of the Premium Income Fund to Asset Resolution Limited as announced to the market on 5 September 2012.

Justice Sifris has dismissed the summons and refused the orders sought by the Defendants. His Honour will publish his reasons shortly and invited the parties to make later submissions as to costs.

Managing Director Jenny Hutson said:

*‘The decision of Justice Sifris this morning is very pleasing. It means that the transaction announced to the market on 5 September 2012 remains in place. Consequentially:*

- *Seven mortgage loans are assets of ARL together with the first ranking mortgages securing them and all incidental other securities;*
- *60% of the debt relating to the security property known as The Forest Resort, and the whole of the first and second mortgage securities relating to The Forest Resort are assets of ARL (the Fund has retained the balance 40% of this loan, the guarantees and company charges as security for it);*
- *\$3.74 million is held by ARL as a provision for outstanding rates, land tax, water charges and associated costs relating to the loans that have been assigned;*
- *all of the Fund’s interest in the ASIC compensation claim, the Class Action claim, and proof of debt in the liquidation of Octaviar Limited (In Liquidation) and Octaviar Administration Limited (In Liquidation) are held by ARL.*

*In consideration for the above assignment and transfers, the Fund received 830,532,768 shares in ARL (being 100% of the issued capital of ARL), which it then distributed to the Unitholders in the Fund. Each Unitholder in the Premium Income Fund has consequentially received by way of transfer a share in ARL for each Unit they hold in the Fund. This means that each Unitholder in the Fund is also a shareholder in ARL.*

*Our aim as manager of the Fund is to continue to realise the assets of the Fund at market value in an orderly way and in the best interests of Unitholders.’*

## For further information please contact:

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