

Premium Income Fund

NSX Release: 8 November 2012



Appeal of Federal Court decision

Her Honour, Justice Jagot of the Federal Court, heard on a final basis the case brought by ASIC challenging Wellington Capital Limited's decision to transfer 830,532,678 shares in Asset Resolution Limited, representing all of the issued capital, following the sale of some of the Fund's assets to that company for \$90.75 million on 17 October 2012.

Her Honour, Justice Jagot, in dismissing the application agreed that Wellington Capital had acted in accordance with the Constitution of the Premium Income Fund and the Corporations Act in determining to transfer the Asset Resolution Limited shares held by it to the Unitholders of the Premium Income Fund as at 4 September 2012.

The Australian Securities and Investments Commission late yesterday filed an appeal to Justice Jagot's decision of 17 October 2012 in the Federal Court in Sydney.

The appeal will be heard by the full court of the Federal Court. A directions hearing is scheduled for 6 February 2013. ASIC's appeal seeks orders from the full Federal Court overturning Justice Jagot's decision on the basis that they say she erred in finding against ASIC in dismissing the application and awarding indemnity costs to Wellington Capital Limited.

Jenny Hutson Managing Director said *'Justice Jagot found that Wellington Capital Limited acted within the powers conferred on it by the Premium Income Fund constitution and in accordance with the Corporations Act.*

The in specie distribution of Asset Resolution Limited shares to the Unitholders of the Premium Income Fund announced on 5 September 2012 was, in our view, an appropriate course of action undertaken in the best interests of Unitholders. We will vigorously oppose the orders sought.'

For further information please contact:

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