

# Premium Income Fund

NSX Release: 28 February 2013



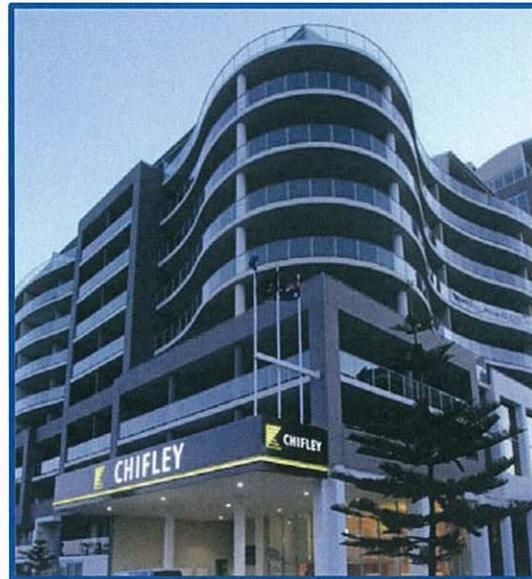
## Sale of 57.5% interest in Trust that owns Chifley Wollongong Hotel

Wellington Capital Limited as responsible entity of the Premium Income Fund is pleased to advise that it has realised the Fund's 57.5% interest in the Harbour Development Street Trust that owns the 168 room Chifley Wollongong Hotel.

The Premium Income Fund became mortgagee in possession of the Wollongong Hotel during 2008, after the borrowers defaulted on the finance facility provided by the Fund. At the time that the Fund took possession, the Hotel was incomplete. The Fund sold the asset to Harbour Street Developments Pty Ltd and worked with it to complete the construction of the Hotel and the adjacent apartments which were also part of the project.

The Fund has realised its final 57.5% of the units for \$8.9 million, payable over time. The first payment being \$1.6 million was paid today. A further \$3 million will be paid in June 2014, with the remaining \$4.7 million to be paid in December 2014. The payment obligation is supported by a caveat over the Hotel title and power of attorney giving the Fund power to sell the Hotel if payments are not received in accordance with the agreement.

Managing Director, Jenny Hutson, said that *'the sale of the remaining 57.5% of the units in the Trust which owns the Chifley Wollongong Hotel for \$8.9 million is a positive outcome for the Fund. It is the culmination of a very focused effort over four years to maximise value for Unitholders through the completion of the Hotel, rather than selling it as an incomplete asset.'*



### For further information please contact:

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