

Premium Income Fund

NSX Release: 11 July 2011



Trinder Avenue, Maroochydore, Queensland – Joint Venture

Wellington Capital Limited as responsible entity of the Premium Income Fund and as mortgagee in possession is pleased to announce that a contract has been signed and settled in relation to the properties at 4, 12, 22, 23, 24 and 30 Trinder Avenue, Maroochydore.

The property, located at Maroochydore on the Sunshine Coast in Queensland, is a residential development site, part of which has previously been sold with the net proceeds used to reduce debt to the Fund.

The property has been sold 'as is', to a purchaser who plans to undertake the development, in accordance with the existing development application. The arrangement saw the purchaser pay \$100,000 on completion and have the obligation to source and provide all capital required to undertake the development of the land into 30 residential lots.

The capital required to undertake the development will then be repaid from the sales proceeds.

The developer will then be paid \$40,000 per lot and the Fund will then be paid the \$40,000 per lot. The balance net proceeds will be apportioned 50% to the Fund and 50% to the developer.

This arrangement will ensure that the Fund enjoys some of the economic benefits of the land being developed and sold whilst having the developer procure and be responsible for Funding, delivery and sale.

The outcome is a 'win/win' for the Fund and the developer and will ensure that the subdivision is undertaken in the near term.

The balance property at Trinder Avenue, Maroochydore is security for one of the Fund's mortgage loans and has previously been taken to the market. A number of parties have previously undertaken due diligence on the site.

Managing Director, Jenny Hutson said:

'This sale will see the lots developed and sold in the near term. The market for this style of land in Maroochydore has been strong. This arrangement will optimise the return to the Fund and therefore to Unitholders.'



For further information please contact:

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