

Premium Income Fund

NSX Release: 13 July 2011



Litigation Update – Unitholder meeting declared invalid

His Honour Justice Dowsett of the Federal Court today made orders in relation to the Federal Court Proceedings 140 of 2011 brought by Wellington Capital in respect of the meeting convened by the PIF Action Group Incorporated and the requisitioning members.

His Honour made orders to the effect that:

'Pursuant to section 1322(2) of the Corporations Act 2001 (Cth) the meeting of unitholders of the Premium Income Fund first convened on 16 June 2011, adjourned to 23 June 2011 and again adjourned to 14 July 2011 was invalidly convened and gave rise to a substantial injustice that cannot be remedied by the Court and that the meeting was therefore invalid.'

His Honour indicated he had made an additional finding, namely that if he had otherwise been of the view that the meeting was validly convened, the meeting was dissolved at 11.15am on 23 June 2011, due to the absence of quorum at the meeting.

Wellington Capital invited his Honour to make the order referred to above, so that Unitholders would be informed, but otherwise could refrain from making further formal orders until his reasons were finalised. His Honour adopted that course.

Managing Director, Jenny Hutson said:

'Justice Dowsett's decision vindicates our position on the meeting notice issued by Castlereagh and the PIF Action Group. What the Judge has determined is that it is necessary to comply with the Corporations Act and the Constitution of the Fund when calling a meeting and holding a meeting. His Honour has recognised that there has been a substantial injustice not capable of remedy by the courts, Castlereagh or the PIF Action Group.'

Wellington Capital would have remained responsible entity of the Premium Income Fund if the vote had gone ahead this week.

Investors in the Premium Income Fund have had a significant number of corporate actions to deal with over recent months.

Wellington Capital, whilst addressing the Castlereagh meeting and the unsuccessful ALF PIF takeover has ensured that its team has also remained focused on maximising asset value realisations so that the Fund is in the strongest possible position, the aim being to maximise the return to Unitholders.'

For further information please contact:

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