

Premium Income Fund

NSX Release: 13 March 2009



Debt Update

Wellington Capital Limited as responsible entity for the Premium Income Fund advises that partial repayment of the current debt has occurred through the partial repayment of the loan secured by to the 66 unit student accommodation sold in Melbourne.

Consequently the current balance of the debt facility of the Premium Income Fund as at 13 March 2009 is \$1 million. Full settlement of the debt is scheduled to occur by the end of March 2009.

Half yearly financial report clarification

Unitholders will note that the half yearly financial report for the period ended 31 December 2008 states that the funds debt is \$5.705 million, whereas the Fund's 24 December 2008 announcement outlined that the debt balance was \$5 million.

The principal outstanding at 31 December 2008 was \$5 million. The debt for accounting purposes however includes all current and future costs in relation to the facility up to and including its anticipated repayment by the end of March 2009.

Conclusion

Jenny Hutson, Managing Director, Wellington Capital Limited said 'I am pleased that the Fund has reached a situation where the current debt is \$1 million and is scheduled to be repaid this month.

The economic environment remains extremely difficult. Wellington Capital Limited as responsible entity of the Fund continues to pursue all relevant options to ensure that the Fund's assets are realised at market value.'

The timing of the proposed cash distribution to Unitholders remains uncertain.

For further information please contact:

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