

## MARKET RELEASE

### REPAYMENT OF SENIOR FACILITY AND POSTING OF MANAGEMENT AGREEMENT

10 October 2008, Sydney - Challenger Infrastructure Fund (ASX: CIF) has today fully repaid outstanding debt under its senior facility following financial close of the Arqiva sale.

"The repayment of the senior facility has further strengthened CIF's balance sheet. CIF is now in a position where it has a proportional weighted average debt maturity profile of 14 years, reflecting long dated debt at the asset level which is substantially hedged against increased funding costs. Consistent with our capital management strategy, CIF has now fully repaid its \$260 million senior facility. This further highlights CIF's financial flexibility" said Steve Bickerton, Chief Executive of CIF.

"Importantly CIF's assets continue to perform in line with management expectations, with 92% of CIF's revenues being derived from regulated or contracted assets. CIF's portfolio is comprised of Sterling and Euro investments which generate Sterling and Euro distributions, hence CIF's NAV is impacted by currency movements between these currencies and the Australian Dollar. Using the most recent asset valuation assumptions, whilst adjusting only for the recent fall in the Australian Dollar, CIF's NAV has appreciated 32 cents to \$4.06 per security as at close of business on 9 October 2008<sup>1</sup>."

#### CIF's management agreements

The Challenger Management Services Limited management agreement, UK management agreement and fee sharing deed were entered into with Challenger entities on 14 July 2005. The material terms of these agreements were disclosed in the CIF Product Disclosure Statement dated 15 July 2005, a copy of which is available on CIF's website [www.challenger.com.au/cif](http://www.challenger.com.au/cif). As enhanced disclosure for investors, a copy of these agreements will be available to be viewed on CIF's website under the heading of Corporate Governance later this afternoon. This disclosure is also consistent with paragraph 12 of ASX's recently published Guidance Note 26.

*ENDS*

<sup>1</sup> Basis AUD/GBP fx rate of 0.4073 and AUD/EUR of 0.5144 and taking into account mark to market on distribution hedges.



**About Challenger Infrastructure Fund (CIF):**

CIF is an Australian publicly listed global diversified infrastructure fund that invests in regulated and contracted monopoly-like assets. CIF has a portfolio of assets which are diversified by sector and also geographical location and focuses on countries with relatively stable political and regulatory environments. CIF takes a disciplined approach to the types of assets in which it invests in order to provide securityholders with a predictable and stable yield with the additional benefit of potential capital growth. CIF's portfolio is diversified across 3 key assets: Inexus, Southern Water and LBC.

For further information please visit our website: [www.challenger.com.au/cif](http://www.challenger.com.au/cif)

**Important notice:**

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based. Past performance is not an indicator of future performance.

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