

## MEDIA RELEASE

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31 August 2004

### **CHALLENGER PART OF WINNING CONSORTIUM TO PURCHASE WALES & THE WEST GAS DISTRIBUTION NETWORK IN THE UK**

31 August 2004, Sydney - Challenger Financial Services Group Limited (CGF) marked its entry into infrastructure investment today, announcing it is a member of a successful consortium that has won the right to acquire the Wales & the West Gas Distribution Network from National Grid Transco plc in the UK.

Challenger will contribute GBP20 million (approximately AUD50 million) to the consortium, led by the Macquarie European Infrastructure Fund. The sale is expected to complete in the second quarter of 2005.

The Wales & the West Distribution Network (DN) is a regulated gas distribution business comprising approximately 34,000 km of gas distribution pipelines located in Wales and the South West of England.

Challenger Life Chief Executive Robert Woods said, "This is a terrific outcome for our asset origination team and marks Challenger's successful entry into infrastructure investment.

"Our position in the Wales & the West Gas Distribution Network consortium is also a significant step in Challenger Life's strategy to diversify its long-term assets."

The Wales & West Gas investment will be included in the asset portfolio used to back Challenger's annuities. This portfolio of diverse assets is used to deliver both attractive returns to annuitants and real growth prospects to Challenger shareholders.

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