

## MEDIA RELEASE

---

### CHALLENGER ANNOUNCES JOINT VENTURE FOR EMERGING MARKETS INFRASTRUCTURE FUND

**9 June 2008, Sydney** – Challenger Financial Services Group (ASX:CGF) today announced it has entered into a joint venture with global trading company, Mitsui & Co.Ltd., to establish a Singaporean based investment management business that will focus on emerging market infrastructure investment opportunities.

The first initiative of the joint venture will be establishing and sponsoring the Challenger Mitsui Emerging Markets Infrastructure Fund, with a target size of USD\$1.2 billion. The fund will be a closed-end wholesale fund which will invest in a diversified portfolio of infrastructure assets located in emerging market economies.

Chief Executive Officer Mike Tilley said: “This joint venture will leverage the complementary strengths of both organisations. Mitsui & Co is a seasoned asset owner and manager of emerging market infrastructure assets and will provide the fund with access to a unique origination network that spans 170 offices across 69 countries.

“Through our infrastructure investments on our balance sheet and via the Challenger Infrastructure Fund, Challenger has been building expertise in infrastructure for some time, both as an originator and investor. This joint venture represents another move forward in the development of Challenger’s infrastructure capability.

“Securing such a high calibre partner is a great outcome for Challenger and complements our existing international strategic relationships. We believe these relationships will provide growth opportunities for Challenger well into the future.”

The fund, which will be jointly managed by Challenger and Mitsui & Co under the guidance of Andrew Jones and Masayoshi Hosoya, the managing directors of Emerging Markets Infrastructure, already has committed capital of USD\$175m, sourced from both the sponsors and institutional investors, Mizuho Corporate Bank and Access Capital Advisors.

Mr Jones said: “Emerging markets present an extraordinary opportunity for investors. Infrastructure assets in emerging markets can provide the same stable cash flow traditionally associated with infrastructure assets in developed countries. And through utilising Mitsui’s deep local networks, the fund will have access to attractive deals across a diverse geographic spread.”

For Mitsui, Mr Hosoya said: “Mitsui has offices in 69 countries and has been in countries like India, China and Russia for over 100 years. This established network will be utilised to source assets that offer return and risk profiles consistent with the investment criteria for the fund.”

ENDS



## About Mitsui & Co. Ltd.

Mitsui & Co. Ltd. is one of the largest trading companies in Japan and is an experienced infrastructure player with a history of more than 130 years. Mitsui has 'on the ground' experience across emerging market economies.

- ❑ Globally recognised brand that has been operating for over 130 years
- ❑ 160 Offices, 69 countries, 40,000+ staff
- ❑ Yen 711 billion invested in 10 major emerging countries with a long history of activities:
  - 131 years in China
  - 115 years in India
  - 101 years in Russia
- ❑ Net capacity of 3.8GW in IPP investment
- ❑ Integrated Solution Provider of Project Funding, Engineering, Procurement, Construction and Asset Management
- ❑ Successful track record in managing Logistics REITs

For more information on Mitsui & Co. Ltd. please visit:

<http://www.mitsui.co.jp/en/index.html>