

## MARKET RELEASE

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### SOUTHERN WATER REPAYS A\$15.7M OF TEMPORARY SHAREHOLDER LOAN

26 June 2009, Sydney - Challenger Infrastructure Fund (CIF) today announced the repayment of A\$15.7 million in principal and interest of its temporary loan to Southern Water.

In March 2009 Southern Water shareholders agreed to contribute approximately £85 million in temporary loans to Southern Water in respect of a timing difference in the indexation of Southern Water's debt and its Regulated Capital Value (RCV). CIF's contribution was A\$26.2 million.

Southern Water has repaid approximately £50 million of the temporary loans to those Southern Water shareholders who contributed. CIF's share of the repayment is A\$15.7 million including interest. A\$11.1 million of CIF's share of the loan still remains outstanding.

Southern Water remains in compliance with its debt covenants.

ENDS

#### **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 security holders with exposure to assets with long term predictable cash flows. 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 and/or CIF, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

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