

## MARKET RELEASE

### BREAKDOWN OF DISTRIBUTION FOR NON-RESIDENT WITHHOLDING TAX PURPOSES

#### Challenger Infrastructure Fund 1 (CIF1)

#### Taxation Components for Non-Resident Withholding Tax Purposes

#### Distribution Period: Half Year Ended 31 December 2008

Detailed below are the components of CIF1's distribution for the half year ended 31 December 2008 which have been prepared for the sole purpose of calculating the withholding tax deducted from the distributions paid to non-resident securityholders of CIF 1.

The cash distribution of 12.0 cents per security will be dispatched to securityholders on 27 February 2009.

Components of distribution subjected to withholding tax	Half Year (cents per security)	Half Year (%)	Non-resident Withholding Tax Rate (%)
Australian sourced other income	0.042	0.35%	22.5%/30%
Australian sourced interest	1.472	12.27%	10%
Other income – not subjected to withholding tax	10.486	87.38%	N/A
<b>Total Distribution</b>	<b>12.000</b>	<b>100.00%</b>	

For the purposes of section 12-395 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (the 'Act'), this distribution includes a 'Fund Payment' amount of 0.042 cents per security in respect of the half year ended 31 December 2008.

The non-resident withholding tax rate of either 22.5% or 30% has been applied to the Fund payment based on the tax residence of the non-resident investor.

These components have only been provided for the purposes of Subdivision 12-H of the Act, and should not be used for any other purpose. Details of the full year components of CIF's 2009 distribution will be provided in the annual tax statement.

ENDS

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**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 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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