

## MARKET RELEASE

---

### **Deutsche Bank AG acquires stake in CIF**

20 October 2008, Sydney – We refer to today's announcement by Deutsche Bank AG (Deutsche), and media release by Arkmile Limited (copy attached) regarding the sale of approximately 18.5% of the issued securities in Challenger Infrastructure Fund (ASX:CIF) by Arkmile Limited to Deutsche Bank AG. Challenger Listed Investments Limited (CLIL) as the Responsible Entity of the Fund has been informed by Deutsche that they have no current intention of selling the stake at a discount to CIF's recent trading range. Furthermore, Deutsche is supportive of CIF management, and is keen to work closely with CIF going forward in maximising security holder value.

The Board is pleased to welcome Deutsche as a security holder of CIF, as it has had a long relationship with them in an advisory and capital markets capacity. This has included Deutsche advising on capital raisings and acting as the vendor's advisor when the CIF consortium purchased Southern Water last year.

The Board reaffirms its August statements that it is not looking to purchase further assets in the near term, and it continues to review a number of alternatives to maximise value for all its security holders. The recent repayment of CIF's acquisition facility and the hedging of a significant portion of its currency exposure are examples of this.

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. As at 14 October CIF's NAV was \$4.15<sup>1</sup> using the most recent asset valuation assumptions adjusted only for foreign currency spot rates, a significant premium to current trading levels.

*ENDS*

---

<sup>1</sup> Represents NAV converted at spot rates of AUD/EUR 0.4909 and AUD/GBP 0.3940

20<sup>th</sup> October 2008  
For immediate release

## **ARKMILE REDUCES INTEREST IN CIF**

Arkmile Limited ("Arkmile"), which was the second largest security holder in Challenger Infrastructure Fund ("CIF" or "the Fund") with a holding of approximately 18.5% of the issued stapled securities, has today informed Challenger Listed Investments Limited ("CLIL"), the Responsible Entity for CIF, that it has sold its entire holding to Deutsche Bank and that, consequently, it no longer has an interest in the listed securities.

Arkmile and its associates retain their economic interest in approximately 13.3% of CIF in the form of Contracts for Difference.

Vincent Tchenguiz, Chairman of Consensus Business Group, adviser to Arkmile commented:

"We continue to be supportive of, and see value in, CIF. We maintain that its assets have excellent long term prospects and that this is not reflected in the current market price of the securities.

"We believe that a reduced, de-leveraged, exposure to the Fund will give us greater flexibility under current market conditions. We intend to work with stakeholders, including CIF's new significant security holder, to endeavour to align the market value with the net asset value."

**- ENDS -**

### **For further information please contact:**

#### **Consensus Business Group**

Seán Bellew

Direct:

Mobile:

Email:

**+44 (0)20 7355 7777**

+44 (0)20 7355 7957

+44 (0)7973 234040

s.bellew@cbg.uk.com

www.cbg.uk.com

#### **FD Third Person**

Stuart Carson

**+61 2 8298 6100**

+61 (0)403 527 755

stuart.carson@fdthirdperson.com.au