

## MARKET RELEASE

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### **CIFCA CLARIFIES FY06 AND FY07 DISTRIBUTION FORECASTS**

1 May 2006, Sydney – Challenger Infrastructure Fund (ASX:CIFCA) today clarified the distribution to be paid to shareholders for 2006 and 2007.

In line with the forecasts stated in the Product Disclosure Statement (PDS) dated October 2005, the Challenger Infrastructure Fund will pay a distribution of 8.15 cents per stapled security, bringing the total to 14.2 cents per stapled security. The tax deferred proportion of this distribution is forecast to be in excess of 80 per cent.

Given CIFCA listed in August 2005 this represents an equivalent annualized distribution of 10.23 per cent based on the initial \$1.75 partly paid issue price, or 14.10 per cent if based on last Friday's closing price of \$1.27 per partly paid stapled security.

The second instalment of \$1.75 per stapled security is due on 21 August 2006. Following receipt of this instalment, CIFCA will trade on a fully paid basis and will have cash uninvested in excess of \$130m to fund further acquisitions.

The minimum distribution forecast for the financial year ended 30 June 2007 is a 28.8 cents per stapled security. This comprises the PDS forecast distribution from the seed assets and Inexus of 26.4 cents per security, and a minimum return on forecast uninvested cash of 2.4 cents per security, assuming no new investment is made from 21 August 2006 to 30 June 2007 and a cash rate of 5.5 per cent per annum.

At this level, the forecast distribution for the year ended 30 June 2007 equates to a cash return of 8.89 per cent on the fully paid price of \$3.50, or 10.43 per cent on last Friday's closing price of \$1.27 (equivalent to \$3.02 fully paid).

The Challenger Infrastructure Fund aims to invest the uninvested cash in infrastructure assets at or in excess of its target return of 9.0 per cent. This outcome would deliver further upside to the distribution forecast for the 2007 financial year.

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