

MARKET RELEASE

BREAKDOWN OF DISTRIBUTION FOR NON-RESIDENT WITHHOLDING TAX PURPOSES

Challenger Infrastructure Fund (ASX: CIF)

Taxation Components for Non-Resident Withholding Tax Purposes

Distribution Period: Half Year Ended 30 June 2008

Detailed below are the components of Challenger Infrastructure Fund Trust 1's (CIF 1) distribution for the half year ended 30 June 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 19.5 cents per unit will be dispatched to securityholders on 28 August 2008.

Components of Distribution subjected to withholding tax	Half Year cents per unit	Half Year %	Non-resident Withholding Tax Rate %
Australian sourced other Income	3.51	18%	30%
Australian sourced interest	5.09	26%	10%
Other income – not subject to withholding tax	10.90	56%	N/A
Total Distribution	19.50	100%	

For the purposes of section 12-415 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (the 'Act'), this distribution includes a 'fund payment' amount of 3.51 cents per unit in respect of the half year ended 30 June 2008.

These components have only been provided for the purposes of sub-division 12-H of the Act, and should not be used for any other purpose. Details of the full year components of CIF 1's 2008 distribution will be provided in the annual tax statement which will be dispatched to securityholders in August 2008.

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 a predictable and stable yield with the additional benefit of potential capital growth. CIF's portfolio is diversified across three key assets: Inexus, Southern Water and LBC.

For further information please visit our website: www.challenger.com.au/cif

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