

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 30 June 2010

Detailed below are the components of CIF1's distribution for the half-year ended 30 June 2010, which have been prepared for the sole purpose of calculating the withholding tax deducted from the distributions paid to non-resident security holders of CIF 1.

The cash distribution of 7.0 cents per security will be dispatched to security holders on 30 August 2010.

Components of distribution subjected to withholding tax	June half-year (cents per security)	June half-year (%)	Non-resident Withholding Tax Rate (%)
Australian sourced other income	Nil	Nil	N/A
Australian sourced interest	0.143	2.05%	10%
Other income – not subjected to withholding tax	6.857	97.95%	N/A
Total Distribution	7.000	100.00%	

For the purposes of section 12-395 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (the 'Act'), this distribution does not include a fund payment in respect of the half-year ended 30 June 2010.

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 2010 distribution will be provided in the annual tax statement.

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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 2 key assets: Inexus and LBC. For further information please visit our website: 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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