



13 March 2007

**Responsible Entity**

Challenger Listed Investments Limited  
ABN 94 055 293 644 AFSL 236887

**Manager**

Challenger Management Services Limited  
ABN 29 092 382 842 AFSL 234678

Level 1, 212 Pirie Street  
Adelaide SA 5000  
Telephone: +61 8 8211 7777  
Facsimile: +61 8 8212 1661  
Email: [cwt@challenger.com.au](mailto:cwt@challenger.com.au)  
Website: [www.challenger.com.au/cwt](http://www.challenger.com.au/cwt)

Dear PICE Unitholder,

**Preferred Indexed Convertible Equity Units (PICE Units) - Conversion Notice**

This notice is to inform you that in accordance with clause 4.3(a) of the PICE Unit Terms of Issue (Terms), the Board of Challenger Listed Investments Limited (CLIL), as responsible entity of Challenger Wine Trust (the 'Trust'), has resolved to convert all PICE Units on issue into fully paid ordinary units in the Trust.

The Board has made this decision following the transition on 1 January 2005 to Australian Accounting Standard 132: Financial Instruments: Disclosure and Presentation (AASB 132) and AASB 139 Financial Instruments: Recognition and Measurement (AASB 139), which have the effect of requiring PICE Units to be treated as debt (rather than equity) for accounting purposes in the financial statements for the year ending 30 June 2006 and thereafter.

In accordance with paragraph 4.3(a) of the Terms, CLIL may convert the PICE Units by giving notice to unitholders where the Board resolves that a change in accounting standards practices or principles or their interpretation requires PICE Units to be recorded as a liability instead of capital or equity in the financial statements of the Trust.

To comply with clause 4.3(d) of the Terms and Annex 6A of the ASX Listing Rules, the date on which your PICE Units will be converted will be 27 April 2007 (Conversion Date). On the Conversion Date, each PICE Unit will entitle the unitholder to be immediately issued a number of fully paid ordinary units in the Trust in accordance with the formula set out in clauses 4.6 and 4.7 of the Terms. There is no payment required from unitholders.

In accordance with clause 2.7 of the Terms, the PICE Units will cease to have any entitlement to yield as from the Conversion Date. Any amounts payable prior to the Conversion Date pursuant to Clause 2.6 of the Terms will be payable in accordance with the Terms.

The date that quotation of the PICE Units will end on ASX will be 19 April 2007 (being five business days before the Conversion Date of 27 April 2007). As at the close of trading on ASX on the day before the date of this notice, the last sale price on ASX of fully paid ordinary units in the Trust was \$0.88. The highest and lowest market price of fully paid ordinary units in the Trust sold on ASX in the three months ending on the day before the date of this notice (and the dates of the sales) were as follows:

**Highest price:** \$0.94 on 12 February 2007 and 15 February 2007

**Lowest price:** \$0.87 on 13 December 2006 and 16 January 2007

Trading in the ordinary units arising from the conversion of the PICE Units is currently expected to commence on ASX on 2 May 2007. A notice detailing the ordinary units arising from the conversion of the PICE Units will be mailed to unitholders on 4 May 2007. This notice does not require you to take any action.

A copy of the Terms is available on the Trust's website [www.challenger.com.au/cwt](http://www.challenger.com.au/cwt). To request a hard copy of the Terms or for any other queries in connection with this notice, please contact the Trust's registry on 1300 556 161 (if calling within Australia) or + 61 8 8236 2300 (if calling from outside Australia).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Gerlach', with a horizontal line underneath it.

Stephen Gerlach

**Chairman**

**Challenger Listed Investments Limited**