

MARKET RELEASE

CIF REPAYS REDEEMABLE PREFERENCE SECURITIES

12 February 2010, Sydney - Challenger Infrastructure Fund (ASX: CIF) today announced that it has repaid the outstanding \$127.1 million redeemable preference securities (RPS) on issue.

The RPS was originally issued to Challenger Life Company (CLC) in October 2007 to partially fund the purchase of Southern Water. The RPS were partly redeemed and the terms were renegotiated in December 2008. The remaining RPS was to mature in April 2011.

“The sale of Southern Water in November 2009 has given CIF the flexibility to repay the RPS early and in doing so CIF has simplified its capital structure. CIF has sufficient cash on hand to continue to progress a number of fund and asset level capital management initiatives over the next 12-24 months and will continue to actively manage its capital position,” said Steve Bickerton, Chief Executive of CIF.

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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 security holders 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.

Further enquiry: Jenny Warat, Investor Relations, Challenger Financial Services Group, 02 9994 7663
Stuart Barton, Media Relations, Challenger Financial Services Group, 02 9994 7008