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Tuesday, 5 August 2008

**Challenger Infrastructure Fund – Panel Receives Application**

The Takeovers Panel has received an application dated 4 August 2008 from Challenger Listed Investments Limited, as responsible entity of Challenger Infrastructure Fund (CIF). CIF comprises two stapled funds – CIF Investment Trust 1 and CIF Investment Trust 2. Arkmile Limited has requested a meeting to consider winding up CIF Investment Trusts 1 and 2. The meeting has been convened for 28 August 2008.

At 18 April 2008, Arkmile and its associates held approximately 18.57% of the securities in CIF and cash-settled equity derivatives in relation to approximately 7.74%. Challenger seeks a declaration of unacceptable circumstances on the bases that the hedge securities held by the counterparty to the cash-settled equity derivatives give Arkmile a combined holding of more than 20% of CIF, and that disclosure of the combined holding was deficient.

Challenger seeks interim orders including that, subject to final orders:

1. Arkmile not increase its physical holding or equity derivative interests in CIF securities and
2. the hedge securities not be voted at the general meeting or otherwise.

Challenger seeks final orders including that:

1. the hedge securities be vested in ASIC and disposed of to parties not associated with Arkmile in accordance with a process approved by Challenger
2. if necessary, the general meeting be postponed until the hedge securities have been sold and
3. Arkmile pay compensation to any CIF security holder who has suffered loss as a result of the unacceptable circumstances.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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