

8 November 2004

The Manager  
Companies Announcement Platform  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

By electronic lodgement

Dear Sir

**Re: Ceasing Substantial Holder Notice - Breakfree Limited (BRK)**

We enclose notice of Ceasing Substantial Holder in Breakfree Limited. This notice is given by Challenger Financial Services Limited and each of its subsidiaries named in Annexure 1 to this notice.

Yours faithfully



**Anne B Gardiner**  
Group Company Secretary

## Form 605

Corporations Act 2001  
Section 671B

## Notice of ceasing to be a substantial holder

To Company name/Scheme **Breakfree Limited**  
 ACN/ARSN **100 842 371**

## 1. Details of substantial holder (1)

Name **Challenger Financial Services Group Limited (and the entities listed in Annexure 1)**  
 ACN (if applicable) **100 842 371**

The holder ceased to be a substantial holder on **05.11.2004**  
 The previous notice was given to the company on **10.02.2004**  
 The previous notice was dated **10.02.2004**

## 2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (4) | Consideration given in relation to change (5) | Class (6) and number of securities affected | Person's votes affected |
|----------------|----------------------------------------|----------------------|-----------------------------------------------|---------------------------------------------|-------------------------|
| Ref Annexure 2 | Ref Annexure 2                         | Ref Annexure 2       | Ref Annexure 2                                | Ordinary Fully Paid                         | Ref Annexure 2          |
|                |                                        |                      |                                               |                                             |                         |

## 3. Changes in association

The following persons who have become associates (3) or, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN (if applicable) | Nature of association |
|------------------------------|-----------------------|
| N/A                          |                       |
|                              |                       |

## 4. Addresses

The addresses of persons named in this form are as follows:

| Name                                                                                     | Address                                                    |
|------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Challenger Financial Services Group Limited<br>And each other entity named in Annexure 1 | Level 41, Aurora Place, 88 Phillip Street, Sydney NSW 2000 |
|                                                                                          |                                                            |

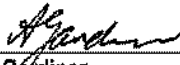
## Signature

print name **A B Gardiner** capacity **Company Secretary**

signature  date **08/11/2004**

# Annexure 1

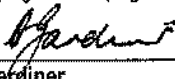
This is page 1 of 3 pages of Annexure 1 referred to in Form 605 signed by me and dated 08/11/2004.

  
A.B. Gardiner  
Company Secretary

| Company/Scheme                                            | ABN/ARSN       |
|-----------------------------------------------------------|----------------|
| Challenger Financial Services Group Limited               | 85 106 842 371 |
| Challenger Financial Services Group                       | 091 545 185    |
| Challenger Group Holdings Limited                         | 50 002 993 302 |
| eFinancial Capital Limited                                | 58 089 796 798 |
| Allfine Holdings Pty Ltd                                  | 84 100 231 918 |
| Beston Financial Management Pty Limited                   | 64 081 985 088 |
| Beston Pacific Vineyard Management Limited                | 35 079 882 161 |
| BluePeak Institutional Private Equity Pooled Fund Limited | 16 092 735 612 |
| BluePeak Private Equity Pooled Fund Limited               | 20 092 735 594 |
| Bluezen Pty Ltd                                           | 94 100 220 175 |
| Cascade Pty Limited                                       | 76 096 097 399 |
| Challenger Beston Limited                                 | 94 055 293 644 |
| Challenger Biotech Management Limited                     | 29 092 382 842 |
| Challenger Capital Fund Limited                           | 45 092 467 591 |
| Challenger Capital Markets Limited                        | 38 099 742 122 |
| Challenger Corporate Superannuation Pty Limited           | 37 097 635 366 |
| Challenger E-Commerce Limited                             | 85 086 854 471 |
| Endowment Warrants Limited                                | 45 009 568 603 |
| Challenger Equity Lending Limited                         | 26 079 047 804 |
| Challenger Freeholds Limited                              | 26 009 568 487 |
| Challenger Group Pty Limited                              | 85 003 374 196 |
| Challenger Group Services Pty. Ltd.                       | 91 085 657 307 |
| Challenger Hedging Limited                                | 38 087 464 131 |
| Challenger International Nominees Limited                 | 70 003 942 765 |
| Challenger IT Pty Ltd                                     | 25 094 934 399 |
| Challenger Lending No.1 Pty. Limited                      | 70 085 447 865 |
| Challenger Life Limited                                   | 60 006 381 193 |
| Challenger Life No.2 Limited                              | 44 072 486 938 |
| Challenger Managed Investments Limited                    | 94 002 835 592 |
| Challenger Margin Lending Limited                         | 47 091 338 822 |
| Challenger ML Nominees Pty Limited                        | 79 008 411 943 |
| Challenger Commercial Lending Limited                     | 65 000 033 143 |
| Challenger Portfolio Management Limited                   | 29 064 545 124 |
| Challenger Property Capital Limited                       | 36 078 326 128 |
| Challenger Property Finance Limited                       | 72 093 308 028 |
| Challenger Property Funds Management Limited              | 34 078 627 013 |
| Challenger Property Asset Management Pty Ltd              | 90 077 569 021 |
| Challenger Property Nominees Pty Limited                  | 39 091 336 793 |
| Challenger Securities Limited                             | 28 009 568 496 |
| Challenger Superannuation Pty Ltd                         | 52 006 475 501 |
| Challenger Treasury Limited                               | 47 093 307 996 |
| Challenger Wealthlink Management Limited                  | 92 082 448 075 |

# Annexure 1

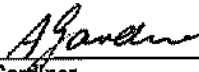
This is page 2 of 3 pages of Annexure 1 referred to in Form 605 signed by me and dated 08/11/2004.

  
A.B. Gardiner  
Company Secretary

|                                                   |                |
|---------------------------------------------------|----------------|
| CFSG Holdings No.1 Victoria Pty Limited           | 107 728 030    |
| CFSG Holdings No.2 Victoria Pty Limited           | 107 601 605    |
| CPH B2B Co. Pty Ltd                               | 093 267 135    |
| CPH B2B Investments Pty Ltd                       | 093 550 200    |
| CPHIC Financial Services Pty Ltd                  | 095 085 466    |
| CPHIC Investments Pty Ltd                         | 093 340 526    |
| FXF Finance Pty Ltd                               | 080 419 521    |
| FXF Holdings Pty Ltd                              | 080 419 512    |
| FXF Investments Pty Ltd                           | 080 149 549    |
| Galaxy Investment Wrap Pty Ltd                    | 102 597 946    |
| Garrisons Pty Limited                             | 50 009 556 370 |
| Nortstar Lending Pty Ltd                          | 057 707 687    |
| Garrisons (Rosny) Pty Ltd                         | 085 645 860    |
| Howard Pacific Limited                            | 54 071 735 665 |
| HFH Staff Pty Limited                             | 33 080 225 985 |
| Integrated Equity Pty. Ltd.                       | 77 059 686 289 |
| Interstar Home Loan Corporation Pty Limited       | 058 891 302    |
| Interstar Mortgage Management Pty Limited         | 082 014 702    |
| Interstar Securities (Australia) Pty Limited      | 087 271 109    |
| Interstar Securities Holdings Pty Limited         | 087 284 240    |
| Interstar Securities (International) Pty Limited  | 087 271 225    |
| Interstar Securitisation Management Pty Limited   | 100 346 898    |
| Interstar Securities (NZ) Pty Ltd                 | 087 217 136    |
| Iroka Pty. Limited                                | 85 080 036 657 |
| Mawbury Pty Limited                               | 95 096 097 479 |
| Synergy Capital Management Limited                | 19 062 264 108 |
| Talavera Herring Pty Limited                      | 34 086 068 984 |
| The Liberty Group Consortium Pty Ltd              | 79 082 564 289 |
| TLGH Pty Limited                                  | 85 092 927 467 |
| TLG Services Pty Limited                          | 20 092 500 608 |
| Venture Link Australia Limited                    | 26 003 162 025 |
| Challenger Mortgage Finance Pty Limited           | 095 300 502    |
| The Mortgage Alternative Holdings Pty Limited     | 107 706 810    |
| The Mortgage Alternative Pty Ltd                  | 107 725 486    |
| TMA Special Servicing Pty Ltd                     | 107 707 415    |
| TMA Management Pty Ltd                            | 107 707 406    |
| PH Sydney Hotel Holdings Pty Ltd                  | 095 686 289    |
| PH Sydney Hotel Limited                           | 104 573 533    |
| Associated Planners Group Limited                 | 003 357 024    |
| Associated Planners Financial Services Limited    | 060 778 216    |
| Associated Planners Asia Pty Limited              | 102 866 893    |
| Associated Planners Strategic Finance Pty Limited | 003 686 060    |
| AP Advisers Strategies Pty Limited                | 097 451 495    |
| AP Strategic Finance (WA) Pty Limited             | 104 441 947    |
| Solar Risk Pty Limited                            | 092 265 373    |
| Bain Financial Group Pty Limited                  | 106 265 936    |

Annexure 1

This is page 3 of 3 pages of Annexure 1 referred to in Form 605 signed by me and dated 08/11/2004.

  
A.B. Gardiner  
Company Secretary

|                                                                                   |  |
|-----------------------------------------------------------------------------------|--|
| Overseas Companies                                                                |  |
| Challenger International (New Zealand) Limited                                    |  |
| Challenger Securities (New Zealand) Limited                                       |  |
| Challenger Beston Limited (New Zealand)                                           |  |
| Sabrand Limited                                                                   |  |
| Challenger Hungary International Capital and Management Limited Liability Company |  |
| Challenger REIT Number 1 Limited                                                  |  |
| Challenger Milk Street LLC                                                        |  |
| Challenger South Monaco LLC (US)                                                  |  |
| Challenger Las Cimas LLC                                                          |  |
| Challenger Life (UK) Limited                                                      |  |
| Challenger Group Services (UK) Limited                                            |  |
| Interstar Home Loan Corporation NZ Limited                                        |  |
| Interstar Securities NZ Limited                                                   |  |
| SEIZA Asset Management (Bermuda) Limited                                          |  |
| ZCM Australia Asset Holdings Limited                                              |  |

  
A/B Gardiner  
Company Secretary

This is page 1 of 1 page of Annexure 2 referred to in Form 605 signed by me and dated 06/11/2004.

## ANNEXURE 2

| Holder of Relevant Interest                           | Registered Holder                                                 | Note         | Holding (Shares) |
|-------------------------------------------------------|-------------------------------------------------------------------|--------------|------------------|
|                                                       | State Street on behalf of<br>Challenger Smaller Companies Fund    | Op Bal B/Fwd | 2,195,000        |
|                                                       | National nominees on behalf of<br>Warakiri Smaller Companies Fund | Op Bal B/Fwd | 95,000           |
| Balance B/Forward as at 13/12/03: Breakfree Ltd (BRK) |                                                                   |              | <u>2,290,000</u> |

| Trade Date                        | Nature of change | Price (\$) | Value (\$)    | Quantity |
|-----------------------------------|------------------|------------|---------------|----------|
| Challenger Smaller Companies Fund |                  |            |               |          |
| 20/02/04                          | Buy              | 1.8160     | \$ 88,075     | 48,500   |
| 23/02/04                          | Buy              | 1.8661     | \$ 55,683     | 30,000   |
| 24/02/04                          | Buy              | 1.8461     | \$ 9,230      | 5,000    |
| 27/02/04                          | Buy              | 1.8260     | \$ 438,241    | 240,000  |
| 05/11/04                          | Sell             | 3.1894     | \$ 797,380    | -250,000 |
| 05/11/04                          | Sell             | 3.1867     | \$ 913,004    | -285,500 |
|                                   |                  |            | \$ -          |          |
|                                   |                  |            | \$ -          |          |
| Sub-Total                         |                  |            | -\$ 1,119,134 | -213,000 |
| Warakiri Small Company Mandate    |                  |            |               |          |
|                                   |                  |            | \$ -          |          |
|                                   |                  |            | \$ -          |          |
|                                   |                  |            | \$ -          |          |
| Sub-Total                         |                  |            | \$ -          | 0        |
| Balance as at: 13/02/04           |                  |            | -\$ 1,119,134 | -213,000 |

| Holder of Relevant Interest                         | Registered Holder                                                 | Note | Holding (Shares) |
|-----------------------------------------------------|-------------------------------------------------------------------|------|------------------|
|                                                     | State Street on behalf of<br>Challenger Smaller Companies Fund    |      | 1,982,000        |
|                                                     | National nominees on behalf of<br>Warakiri Smaller Companies Fund |      | 95,000           |
| Closing Balance as at: 05/11/04 Breakfree Ltd (BRK) |                                                                   |      | <u>2,077,000</u> |
| Number of units on issue                            |                                                                   |      | 44,024,344       |
| Number of issued units held (%)                     |                                                                   |      | 4.72%            |