



challenger
Financial Services Group

Challenger Financial Services Group Limited
ACN 105 842 371

Sydney

Level 41, Aurora Place
88 Phillip Street
Sydney NSW 2000 Australia
www.challenger.com.au

telephone: 02 9994 7000
facsimile: 02 9994 7777

13 September 2005

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

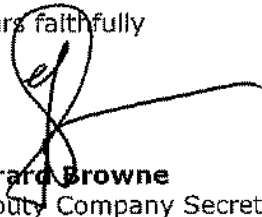
By electronic lodgement

Dear Sir

Re: Notice of initial substantial holder~ IINET LIMITED (IIN)

We enclose notice of initial substantial holder in IINET LIMITED. This notice is given by Challenger Financial Services Group Limited and each of its subsidiaries named in Annexure 1 to this notice.

Yours faithfully


Gerard Browne
Deputy Company Secretary

attach

Melbourne

Level 41, 101 Collins Street
Melbourne VIC 3000
telephone 03 8616 1000
facsimile 03 8616 1111

Brisbane

Level 9, 175 Eagle Street
Brisbane QLD 4000
telephone 07 3218 8000
facsimile 07 3220 3132

Perth

Level 2, 141 St Georges Terrace
Perth WA 6000
telephone 08 9480 2600
facsimile 08 9322 9289

Adelaide

Level 9, T & G Building
62 King Street
Adelaide SA 5000
telephone 08 8211 7777
facsimile 08 8212 1861

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **IINET LIMITED**
ACN/ARSN **068 628 937**

1. Details of substantial holder (1)
Name **Challenger Financial Services Group Limited**
ACN/ARSN (if applicable) **106 842 371**

The holder became a substantial holder on **09.09.2005**

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary Fully Paid	5,733,318	5,733,318	5.25%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Challenger Financial Services Group Limited (and the entities listed in Annexure 1.	The relevant interest arises by Challenger Financial Services Group Limited (and the entities listed in Annexure 1 as responsible entity of various managed investment schemes.	5,733,318 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Challenger Financial Services Group Limited (and the entities listed in Annexure 1.	JP Morgan	JP Morgan	4,841,986 ordinary shares
Challenger Financial Services Group Limited (and the entities listed in Annexure 1.	National Nominees	National Nominees	134,178 ordinary shares
Challenger Financial Services Group Limited (and the entities listed in Annexure 1.	ANZ Nominees	ANZ Nominees	757 154 ordinary shares

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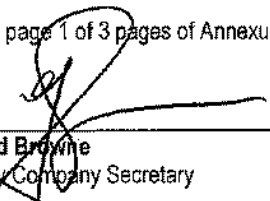
Name and ACN/ARSN (if applicable)	Nature of association
Annexure 1	Annexure 1

Name	Address
Challenger Financial Services Group Limited and each entity named in Annexure 1	Level 41, Aurora Place, 88 Phillip Street, Sydney

date 13.09.2005

Annexure 1

This is page 1 of 3 pages of Annexure 1 referred to in Form 604 signed by me and dated 09/08/2005


Gerard Browne
Deputy 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
Bluezen Pty Ltd	94 100 220 175
Cascade Pty Limited	76 096 097 399
Challenger Listed Investments Limited	94 055 293 644
Challenger Management Services Limited	29 092 382 842
Challenger Capital Markets Limited	38 099 742 122
Challenger Corporate Superannuation Pty Limited	37 097 635 366
Endowment Warrants Limited	45 009 568 503
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 Pty 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
Kinetic Investment Partners Limited	28 009 568 496
Challenger Superannuation Pty Ltd	52 006 475 501
Challenger Treasury Limited	47 093 307 996

Annexure 1

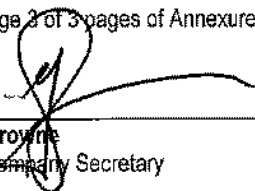
This is page 2 of 7 pages of Annexure 1 referred to in Form 603 signed by me and dated 13/09/2005

Gerard Browne
Deputy Company Secretary

Challenger Wealth Management Pty Limited	107 728 030
CFSG Holdings No.2 Victoria Pty Limited	107 601 605
Challenger Inventory Finance Pty Ltd	085 085 466
CPHC Investments Pty Ltd	95 093 340 526
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
Northstar Lending Pty Ltd	057 707 687
Foundation Wealth Advisers Pty Ltd	86 085 645 860
Howard Pacific Pty Limited	54 071 735 665
HFH Staff Pty Limited	33 080 225 985
Interstar Home Loan Corporation Pty Limited	058 891 302
Interstar Mortgage Management Pty Limited	17 082 014 702
Interstar Wholesale Finance Pty Limited	72 087 271 109
Interstar Wholesale Finance Holdings Pty Limited	087 284 240
Interstar Securities (International) Pty Limited	087 271 225
Interstar Securitisation Management Pty Limited	56 100 346 898
Interstar Securities (NZ) Pty Ltd	087 217 136
Challenger Life Holdings 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
Challenger Wholesale Finance Holdings Pty Limited	57 095 300 502
Challenger Inventory Finance Servicing Pty Limited	36 107 706 810
Interstar Non-Conforming Finance Pty Ltd	32 107 725 486
Interstar Special Servicing Pty Ltd	77 107 707 415
Interstar Non-Conforming Finance Management Pty Ltd	107 707 406
PH Sydney Hotel Holdings Pty Ltd	095 686 289
PH Sydney Hotel Limited	104 573 533
Genesys Group Limited	003 357 024
Genesys Wealth Advisers Limited	080 778 216
Associated Planners Asia Pty Limited	102 866 893
Associated Planners Strategic Finance Pty Limited	86 003 688 060
AP Advisers Strategies Pty Limited	38 097 451 495
AP Strategic Finance (WA) Pty Limited	84 104 441 947
Solar Risk Pty Limited	26 092 265 373
Bain Financial Group Pty Limited	106 265 936
Challenger Funds Management Limited	34 004 778 545
Challenger Funds Management (Nominees) Pty Limited	008 579 020
CIF Australian Lastmile Holding Company Pty Ltd	115 840 661

Annexure 1

This is page 2 of 3 pages of Annexure 1 referred to in Form 603 signed by me and dated 13/09/2005



Gerard Browne
Deputy Company Secretary

Overseas Companies	
Challenger International (New Zealand) Limited	
Challenger Securities (New Zealand) Limited	
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	
ZCM Australia Asset Holdings Limited	