

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **Environmental Group Limited**
ACN/ARSN **000 013 427**

1. Details of substantial holder (1)

Name **Challenger Financial Services Group (and the entities listed in Annexure 1)**
ACN/ARSN (if applicable) **091 545 185**

The holder became a substantial holder on 09/09/2003

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	69,959,800	5,680,750	8.12%

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
See Annexure 2	See Annexure 2	See Annexure 2
	Note B	

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
See Annexure 2	See Annexure 2	See Annexure 2	See Annexure 2

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
See Annexure 2	See Annexure 2	See Annexure 2		See Annexure 2

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure 2	See Annexure 2
Notes	Notes

7. Addresses

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

Name	Address
Challenger Financial Services Group and CPH Management Limited	Level 3, 54 Park Street, Sydney NSW 2000
And each other entity named in Annexure 1	Level 41, Aurora Place, 88 Phillip Street, Sydney NSW 2000
Refer Annexure 2 Note A	Annexure 2 Note A

Signature

print name	D H Slatyer	capacity	Company Secretary or authorised signatory for the companies in Annexure 1 other than CPH Management Limited and Consolidated Press Holdings Limited Group and its associates
print name	R Davis	capacity	Company Secretary of CPH Management Limited as Responsible Entity for Challenger Financial Services Group and Consolidated Press Holdings Limited Group and its associates

date **23.09.2003**

Annexure 1

This is page 1 of 2 pages of Annexure 1 referred to in Form 603 signed by me and dated 23/09/2003.

D H Slatyer

Company Secretary or Authorised
Signatory

R Davis

Company Secretary

Company/Scheme

ARSN/ABN

CPH Management Limited as (Responsible Entity for Challenger Financial Services Group)	68 080 207 496
Consolidated Press Holdings Limited Group and its associates	64 008 394 509
Challenger Financial Services Group 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	16 092 735 512
BluePeak Private Equity Pooled Fund Limited	20 092 735 594
Bluezen Pty Ltd	94 100 220 175
BluePeak VC Technology Pooled Fund Limited	48 077 305 198
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
Challenger Equities 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 Limited	60 006 381 193
Challenger Life No.2 Limited	44 072 486 938
Challenger Managed Investments Limited	94 002 835 592
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 Property Services Pty. Ltd.	33 080 916 052
Challenger Securities Limited	28 009 568 496
Challenger Share Finance Limited	47 091 338 822
Challenger Superannuation Pty Ltd	52 006 475 501
Challenger Superannuation Services Pty Limited	95 078 028 798
Challenger Treasury Limited	47 093 307 996
Challenger Wealthlink Management Limited	92 082 448 075
5DI Pty Ltd	81 099 309 887
Galaxy Investment Wrap Pty Ltd	102 597 946

Annexure 1

This is page 2 of 2 pages of Annexure 1 referred to in Form 603 signed by me and dated 23/09/2003.

D H Slatyer

Company Secretary or Authorised
Signatory

R Davis

Company Secretary

Garrisons Pty Limited	50 009 556 370
Garrisons (Hobart) Pty Ltd	057 707 687
Garrisons (Rosny) Pty Ltd	085 645 860
Howard Finance Limited	13 000 175 502
Howard Leasing Limited	51 074 408 209
Howard Mortgage Management Limited	65 000 033 143
Howard Pacific Limited	54 071 735 665
HFH Staff Pty Limited	33 080 225 985
Integrated Equity Pty. Ltd.	77 059 686 289
Iroka Pty. Limited	85 080 036 657
Margaret Street Nominees Pty Limited	79 008 411 943
Mawbury Pty Limited	95 096 097 479
School Family Program Management Pty Limited	31 097 463 619
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

Overseas Companies

Challenger Coronet Asset Management Limited
Challenger International (New Zealand) Limited
Challenger Securities (New Zealand) Limited
Challenger Beston Limited
Sabrand Limited
Challenger Hungary International Capital and Management Limited Liability
Company
Challenger REIT Number 1 Limited
Challenger Milk Street LLC
Challenger Las Cimas LLC
Challenger Life (UK) Limited
Challenger Group (UK) Limited

Annexure 2

This is page 1 of 2 pages of Annexure 2 referred to in Form 603 signed by me and dated 23/09/2003

D H Slatyer
Company Secretary or Authorised
Signatory

R Davis
Company Secretary

Holder of Relevant Interest	Registered Holder	Note	Class and number of securities (Fully Paid Ordinary)
Challenger Managed Investments Limited as Responsible Entity for Challenger Smaller Companies Fund	State Street on behalf of Challenger Managed Investments Limited as Responsible Entity for Challenger Smaller Companies Fund	B	1,500,000
Balance as at 30 April 2003			1,500,000

DATE	NATURE OF CHANGE	PRICE \$	VALUE \$	QUANTITY (Fully Paid Ordinary)
29/05/2003	Purchase	0.21	210,693	1,000,000
29/05/2003	Purchase	0.21	105,000	500,000
2/07/2003	Purchase	0.21	37,957	180,750
9/09/2003	Purchase	0.22	550,000	2,500,000
Balance as at 09 September 2003 (refer below)				5,680,750
Number of shares on issue				69,959,800
Percentage of issued units held				8.12%

Holder of Relevant Interest	Registered Holder	Note	Class and number of securities (Fully Paid Ordinary)
Challenger Managed Investments Limited as Responsible Entity for Challenger Smaller Companies Fund	State Street on behalf of Challenger Managed Investments Limited as Responsible Entity for Challenger Smaller Companies Fund	B	4,680,750
Challenger Portfolio Management Limited	National Nominees on behalf of Warrakirri Small Companies Fund	B	1,000,000
Balance as at 09.09.2003			5,680,750

Annexure 2

This is page 2 of 2 pages of Annexure 2 referred to in Form 603 signed by me and dated 23/09/2003

D H Slatyer
Company Secretary or Authorised
Signatory

R Davis
Company Secretary

NOTES

"A" in this Annexure:

"CFG" means Challenger Financial Services Group (ARSN 091 545 185) of Level 3, 54 Park Street, Sydney NSW 2000.

"Challenger Financial Services Group Limited" means Challenger Financial Services Group Limited (ACN 002 993 302) which is wholly owned by CFG (ARSN 091 545 185) of Level 41, Aurora Place, 88 Phillip Street, Sydney NSW 2000.

"Challenger Managed Investments Limited" means Challenger Managed Investments Limited (ACN 002 835 592) a wholly owned subsidiary of Howard Mortgage Management Limited (ACN 003 033 143) which is a wholly owned subsidiary of Challenger Life Limited (ACN 006 381 193) which is a wholly owned subsidiary of Iroka Pty Limited (ACN 080 036 657) which is a wholly owned subsidiary of Challenger Financial Services Group Limited.

"Challenger Portfolio Management Limited" means Challenger Portfolio Management Limited (ACN 064 545 124)) which is a wholly owned subsidiary of Challenger Life Limited (ACN 006 381 193) which is a wholly owned subsidiary of Iroka Pty Limited (ACN 080 036 657) which is a wholly owned subsidiary of Challenger Financial Services Group Limited.

"National Nominees" means National Nominees Limited (ACN 004 279 399) a subsidiary of National Australia Bank Limited (ACN 004 044 937) of 5th Floor South, 271 Collins Street, Melbourne VIC 3000.

"Warakirri Small Companies Fund" means Warakirri Small Companies Fund of Level 3, 53 Queens Street, Melbourne VIC 3000.

"State Street" means State Street Australia Limited (ACN 002 965 200) of State Street Centre, 338 Pitt Street, Sydney NSW 2000.

B. Explanation of Relationship and Nature of Relevant Interests

Registered Holder	On behalf of	Nature of relevant interest
State Street Limited	Challenger Managed Investments Limited as Responsible Entity for Challenger Smaller Companies Fund	Pursuant to the Constitution of Challenger Smaller Companies Fund the responsible entity, Challenger Managed Investments Limited, has the power to control voting and/or disposal of securities.
National Nominees Limited	Warakirri Small Companies Fund	Challenger Portfolio Management Limited is an Investment Manager appointed by Warakirri Asset Management Pty Ltd. Under the Investment Management Agreement, Challenger Portfolio Management Limited has acquisition and disposal powers in respect of those securities.

Associates	Nature of Association
Companies listed in Annexure 1.	Each of the Companies listed in Annexure 1 (other than CPH Management Limited and Consolidated Press Holdings Limited Group and its associates) are related bodies corporate and CFG is the ultimate parent entity. CPH Management Limited is the Responsible Entity of CFG. Consolidated Press Holdings Limited Group and its associates are related bodies corporate due to the Group's 25.01% holding in CFG.