

MARKET RELEASE

CHALLENGER ANNOUNCES THE APPOINTMENT/RESIGNATION OF DIRECTORS

Wednesday 6 October 2010, Sydney – The Directors of Challenger Financial Services Group Limited (ASX:CGF) today announced the appointment of a new non-executive Director Mr Jonathan Grunzweig, of Colony Capital LLC (Colony Capital), to replace Mr Tom Barrack also of Colony Capital.

Mr Barrack's increased commitments in the United States as founder, Chairman and Chief Executive Officer of Colony Capital led to his decision to step aside from the Challenger Board and to be replaced by Mr Grunzweig. Mr Grunzweig has been Mr Barrack's alternate director on Challenger's Board, and will continue to hold his position as a Director on the Board of Challenger Life Company Limited, a position he has held since December 2008.

Mr. Grunzweig is the Principal and Chief Investment Officer of Colony Capital responsible for overseeing the sourcing, structuring, execution and management of all investments and divestments on a global basis. Prior to joining Colony in 1999, Mr Grunzweig was a Partner with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he specialized in corporate finance and mergers and acquisitions.

Challenger Chairman, Peter Polson extended his thanks on behalf of the Board to Mr Barrack for his contribution and involvement and welcomed Mr Grunzweig as a new non-executive Director.

Mr Barrack's resignation and Mr Grunzweig's appointment are both effective from today.

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