

Challenger First Pacific Announces Board

Challenger International

6/2/2002

Financial services group Challenger International today announced the appointment of Mr Mike Shepherd as non-executive chairman of the board for its new retail broking business - Challenger First Pacific.

Mr Shepherd has more than 30 years of experience in the Australian broking industry, most recently working as a client advisor with Dicksons Ltd.

He also holds a number of senior industry positions including Vice Chairman of the Australian Stock Exchange; Chairman of the ASX Business Rules Committee and Regional Chairman (NSW) of the Securities Institute of Australia.

The Challenger First Pacific business was acquired from CSFB last month and will retain all of the original CSFB Australia Equities Private's 200-plus staff, which includes over 100 advisors.

The new board will also consist of Challenger Group Managing Director Mr Bill Ireland, Directors Mr Rodger Bacon, Mr John Barry and Mr Alastair Davidson, and four representatives from Challenger First Pacific including Managing Director Mr Bryan Madden, Mr John Buckley (Sydney), Mr Mark Mitchelmore (Melbourne) and Mr Andrew Robertson (Brisbane).

Challenger director, Mr Rodger Bacon said he was delighted to announce Mr Shepherd's appointment to the Challenger First Pacific board.

"Securing a chair with Mike's industry experience and stature is a great coup for Challenger and the new business," Mr Bacon said.

A key element of Challenger First Pacific will be the introduction of a new type of revenue-sharing model which gives advisors a greater percentage of revenue written. In return, advisors will pay Challenger a flat yearly "alliance fee", as well as covering transaction costs.

Mr Shepherd said his strong belief in this business model encouraged him to accept the position.

"I believe this business model will allow more flexibility in remuneration to the ultimate advantage of both the adviser and client," Mr Shepherd said.

"This new model gives advisers responsibility for their relationships and financial arrangements" he said.

Challenger International is a diversified investment and financial services company listed on the Australian Stock Exchange [CLI]. Challenger currently has in excess of \$8 billion of assets under management and over 100,000 investors in products offered by members of the Challenger Group in Australia, New Zealand and the UK.

For further information go to www.challengergroup.com or contact:

Philippa Honner/Sheridan Lee at Shed Enterprises

Tel: (02) 9247 8533 / 0407 939 543

phonner@shed-ent.com.au