

Challenger to Sell Broking Business as Part of Internal Review

Challenger International

12/12/2002

Diversified financial services group Challenger International today confirmed plans to merge its private client broking operation - Challenger First Pacific - with another prominent Australian stockbroker.

Bell Potter Securities, a longstanding supporter of the Challenger Group, has been nominated as the preferred bidder for the business.

The announcement aligns with the Group's ongoing internal review, and stated aim to increase its focus on the company's two major business lines - funds management and annuities.

Under the proposed new arrangements, the merged business will continue to provide strong support across Challenger's entire product range, which includes margin lending, cash management, the Galaxy WRAP account and several other Challenger managed investment products.

Challenger Managing Director, Mr Bill Ireland, said the deal would allow Challenger products and services to be distributed more effectively across the broader broking community.

"We will continue to have an agreement with Bell to distribute Challenger products, but aim to achieve a wider product push beyond the perceived 'exclusive' arrangement with Challenger First Pacific and related broker channels," Mr Ireland said.

Due diligence will be conducted over the coming month with details of the new arrangements expected to be announced in January 2003.

For further information go to www.challengergroup.com

OR

Contact [Sheridan Lee/Philippa Honner](#) at Shed Enterprises
Tel: (02) 9247 8533 / 0411 101 492 (Sheridan) / 0407 939 543 (Philippa)