

CLI merger with CPHIC effective

1 July 2003

The Manager
Company Announcement Platform
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2001

Dear Sir,

Challenger International Limited Merger with CPH Investment Corp Effective

The Directors of Challenger International Limited (CLI) announced today a copy of the order made by the Federal Court of Australia has been lodged with ASIC.

The merger between Challenger International Limited and CPH Investment Corp is now effective. From today the merged entity will be known as Challenger Financial Services Group.

Challenger International Limited (CLI) will cease trading at close of business today. Challenger Financial Services Group units (CPHN) commence trading tomorrow on a deferred settlement basis. Challenger Financial Services Group units (CFG) will commence normal trading from 16 July 2003.

Yours faithfully

David H Slatyer
Company Secretary