

MARKET RELEASE

9 September 2003

CPH INVESTMENT CORP 30 JUNE 2003 YEAR END RESULTS

9 September 2003, Sydney - The Board of Directors of CPH Management Ltd, the Responsible Entity of Challenger Financial Services Group (Challenger - ASX code:CFG), today released the financial statements of CPH Investment Corp, recently renamed Challenger Financial Services Group following the merger with Challenger International Limited on 1 July 2003*.

Profit after tax for the year ended 30 June 2003 was \$21.3m, up 146 per cent on the previous year (2002 \$8.7m) and generated from the CPH Investment Corp's principal activity of pursuing investment opportunities that the Responsible Entity considered to be undervalued.

Contribution to profit included \$4.9m from revaluations of AVC Holdings Pty Ltd and Jurlique International and a realised gain of \$11.3m from the disposal of the investment in Zurich Capital Markets.

An interim dividend of 1 per cent fully franked was paid on 23 April 2003 and no final distribution has been proposed.

Commenting on the CPH Investment Corp result, Challenger's Chairman Mr James Packer said the "profit reflected the growth potential of CPH Investment Corp's assets which performed well over the year. However, the highlight of the last financial year was the merger of CPH Investment Corp and Challenger International," Mr Packer said.

CPH Investment Corp's Statement of Financial Performance for the year ended 30 June 2003 excludes the results of Challenger International Limited that was acquired at the end of the financial year. The report does not reflect the expanded principal activities of the merged group that include provision of financial services in annuities, funds management and administration, financial planning, mortgage management/financing and margin lending.

ENDS

* Control passed 27 June 2003 following the second court approval and the merger became legally effective on 1 July 2003.