

MEDIA RELEASE

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Challenger's Park Hyatt investment closes early due to overwhelming interest

October 2, 2003, Sydney – Challenger Financial Services Group (Challenger – ASX Code: CFG) announced today that it had closed its PH Sydney Hotel Group to new investors following overwhelming interest in the offer.

Rob Adams, Challenger's General Manager of Distribution and Service Strategy, said the response from investors to the PH Sydney Hotel Group, which has as its sole asset the prestigious Park Hyatt Hotel in Sydney, was very pleasing.

"There has been phenomenal interest in this offer, and we have reached our maximum application value of \$69.3 million well ahead of the scheduled close date of 14 November 2003," said Adams. "This is a fantastic result, especially when you consider the size of the offer."

Adams specifically thanked the many financial planners who had supported the offer. "The PH Sydney Hotel Group is one of the first products we've brought to market as the new Challenger Financial Services Group," said Adams. "The success of this offer demonstrates that even as we expand our business in many new directions and become a truly broad-based, multi-faceted financial services group, we'll never lose our eye for a quality investment in any asset class.

"It's terrific that so many advisers and their clients were also quick to recognize this as an outstanding investment opportunity."

Challenger will send letters confirming successful applications to advisers and clients whose applications were received before the closure. Any applications received after the offer closed will be immediately returned to investors with their cheque enclosed. A copy of the letter will be sent to the relevant adviser.

Investors who are unsure about the status of applications can contact the PH Sydney Hotel Group Investor Line on **1300 668 378**.

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