

MARKET RELEASE

16 December 2003

SATISFACTION OF RESTRUCTURE CONDITIONS AND SUSPENSION OF TRADING

December 16, 2003, Sydney – CPH Management Limited as responsible entity of Challenger Financial Services Group (**CPHML**) today announced that all of the Third Party Conditions to the Restructure of Challenger Financial Services Group (**Challenger Group**) have been satisfied or waived.

The Restructure (including details of the Third Party Conditions) is described in the Disclosure Document issued by CPHML and Challenger Group on 11 November 2003. Unitholder approval of the Restructure will be sought at a meeting to be held on Monday 22 December 2003 at 11am at The Heritage Ballroom, The Hotel Westin Sydney, 1 Martin Place.

In particular:

- the necessary approvals of the Treasurer of the Commonwealth of Australia under the Financial Sector (Shareholdings) Act have been given;
- the holders of Challenger Group Holdings Limited options (the CGHL Options) have today approved the scheme of arrangement proposed in relation to the CGHL Options as described in the Disclosure Document. Challenger Group Holdings Limited will seek orders from the Court approving the scheme of arrangement on 19 December 2003; and
- ASX has agreed to admit Challenger Financial Services Group Limited (**Challenger**) to the Official List of ASX and to quote Challenger Shares on conditions which are acceptable to CPHML and Challenger.

As a result of the satisfaction of the Third Party Conditions trading in Challenger Group units will, as foreshadowed in the Disclosure Document, be suspended after close of trading today, 16 December 2003, to facilitate implementation of the Restructure.

Subject to the approval of the Restructure Resolutions at the meeting of Challenger Group Unitholders on 22 December 2003, it is expected that trading in shares in



Challenger Financial Services Group Limited (**Challenger**) will commence, initially on a deferred settlement basis, on 23 December 2003*, under the ASX "**CGF**".

If you do not plan to attend the unitholder meeting in person, you may appoint a proxy by completing the proxy form that accompanied the Disclosure Document. Completed proxies must be received not later than 11am on Saturday 20 December 2003 and should be sent to Computershare Investor Services, Level 3, 60 Carrington Street, FreeCall 1800 780 782 or Fax (02) 8235 8220.

For further information in connection with the Restructure, please contact the Challenger Information Line on 1300 733 343 (toll free within Australia) or + 61 2 9240 7450 (from outside Australia).

ENDS

* Subject to ASX approval

No securities in Challenger Financial Services Group Limited will be issued on the basis of the Disclosure Document except those issued pursuant to the restructure of CFSG. All notices of meeting for the Meeting sent to Unitholders are included in or accompanied by a copy of the Disclosure Document. The Disclosure Document is available on the Challenger website www.challenger.com.au. Terms which have a defined meaning in the Disclosure Document have the same meaning where used in this Announcement

Further enquiry: Tanya Atkins, Head of Shareholder & Media Relations, Challenger Financial Services Group. 02 9994 7125