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26 July 2004

The Manager
Company Announcement Platform
Australian Stock Exchange Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir/Madam

Re: CORRECTION OF ARTICLE IN THE AUSTRALIAN

Challenger Financial Services Group Limited (CGF) wishes to refute today's article on page 29 of The Australian.

As previously disclosed, Challenger is exploring the sale of its UK property assets. The portfolio at the time of the announcement in May had a book value of approximately AUD \$685 million.

Today's Australian article incorrectly states Challenger's UK property portfolio has a book value of US\$685 million (A\$961 million).

CGF has not entered into a contract for the sale of these properties. As previously stated, CGF only intends to complete a sale of our foreign properties at a premium to book value as at 31 December 2003.

Yours faithfully,

Anne Gardiner
Company Secretary**Melbourne**Level 41, 101 Collins Street
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