

MARKET RELEASE

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CHALLENGER SETTLES SALE OF UK PROPERTY PORTFOLIO AND LAS CIMAS II & III

2 November 2004, Sydney - Challenger Financial Services Group Limited (CGF) today announced it had settled the sale of its UK property portfolio and Las Cimas II and III in Austin, Texas.

Challenger received GBP287.05 million for its UK assets and USD71 million for Las Cimas II and III. This concludes the sales process of five offshore properties.

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