

MARKET RELEASE

2 December 2004

CHALLENGER JOINS WINNING CONSORTIUM FOR UK BROADCAST OPERATIONS

2 December 2004, Sydney - Challenger Financial Services Group Limited (CGF) today announced it has taken a six per cent shareholding in a consortium that has won the rights to acquire ntl Broadcast, the broadcast and tower division of NTL Group Limited in the United Kingdom.

Challenger will contribute approximately AUD100 million to the consortium, which is being led by Macquarie Communications Infrastructure Group.

ntl Broadcast is the second largest independent operator of wireless sites in the UK. It owns and leases around half of the radio and television broadcast towers in the UK and is the second largest operator of mobile phone towers.

The investment has similar characteristics to Challenger's previous infrastructure investments; it is regulated, has stable, predictable cash flows and long-term contracted revenue streams.

The switch to digital television and radio and the growth in the mobile phone network, particularly with the 3G rollout, provide some opportunities for growth in value in the United Kingdom.

This investment is consistent with Challenger's aim of further diversifying the portfolio of investments backing annuitant liabilities within Challenger's Life business.

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