

MARKET RELEASE

RATINGS FOR CHALLENGER ENTITIES AFFIRMED

18 December 2008, Sydney – Standard & Poor's Rating Services (S&P) has announced today it has affirmed its 'A' rating on Challenger Life No. 2 Ltd. and 'BBB+' rating on Challenger Financial Services Group Ltd.

The affirmation of the ratings reflects the continued solid performance of Challenger's Life Company. In addition S&P highlighted the long term nature of the Group's debt maturity profile and its strong liquidity position.

The outlook for both entities has been revised to 'negative' from 'stable', reflecting the impact of ongoing difficult global financial market conditions.

Standard and Poor's release can be accessed via their website - www.standardandpoors.com.au

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