

MARKET RELEASE

FITCH UPGRADES CHALLENGER LIFE TO A-

20 September 2005, Sydney – Challenger Financial Services Group Limited (CGF) today announced Fitch Ratings has upgraded the Insurer Financial Strength Rating of Challenger Life to 'A-' stable outlook from 'BBB' reflecting the underlying strength of the Challenger Life business.

Fitch Ratings said the upgrade represented improvements in Challenger Life's risk profile over the past two years including the reduction in debt and implementation of more conservative accounting practices and significantly stronger capital ratios.

Further information on Fitch's ratings definitions can be found on the agency's website at www.fitchratings.com.

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