

MARKET RELEASE

CHALLENGER FORMS JAPANESE PROPERTY JOINT VENTURE

6 December 2006, Sydney – Challenger Financial Services Group Limited (ASX: CGF) today announced it has entered into a joint venture with Kenedix, Inc., a Japanese-based real estate management and investment advisory company.

The joint venture will provide Challenger with a Tokyo-based platform from which to acquire and manage Japanese property assets for a range of product and balance sheet opportunities through its Asset Management division.

Challenger's team is led by Joint Managing Directors of Property Trent Alston and Bevan Towning.

ENDS

Kenedix: Kenedix, Inc. is a successful real estate management and investment advisory company. Listed on the Tokyo Stock Exchange with a market capitalisation of approximately A\$2 billion, Kenedix manages both unlisted real estate funds (for domestic pension fund investors) and listed Japanese real estate investment trusts (J-REITs).

Further enquiry:

Tanya Atkins, Head of Shareholder Relations, Challenger Financial Services Group. 02 9994 7125
Josie Ashton, Senior Manager, Investor relations, Challenger Financial Services Group. 02 9994 7898
Angela Warburton, Senior Manager, Media Relations, Challenger Financial Services Group. 02 9994 7509