

MARKET RELEASE

CHALLENGER ANNOUNCES EUROPEAN PROPERTY JOINT VENTURE

14 February 2007, Sydney – Challenger Financial Services Group Limited (ASX: CGF) today announced it has entered into a joint venture with Protego Real Estate Investors, a European real estate management and investment advisory company headquartered in London.

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

Chief Executive Officer Mr Mike Tilley said: “The European market represents a significant opportunity for our Asset Management division to secure high quality assets that offer return profiles consistent with the investment criteria of both our balance sheet and funds. Securing such a high calibre European partner is a fantastic outcome.”

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