

MARKET RELEASE

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### CHALLENGER AGREES TO EQUITY STAKE IN HOMELOANS

23 February 2007, Sydney – Challenger Financial Services Group Limited (ASX: CGF) today announced it has agreed to subscribe for 8.3 million new shares in Homeloans Limited (ASX: HOM) at 80 cents per share. Subject to shareholder approval by Homeloans Limited, Challenger has also agreed to subscribe for an additional tranche of 31.7 million new shares at \$1.20 per share – bringing the total investment to approximately \$44.7 million.

Following the proposed issues of shares, Challenger will have an interest of approximately 40 per cent in Homeloans Limited.

*ENDS*

**Homeloans Limited:** Listed on the Australian Stock Exchange, Homeloans Limited originates and manages a comprehensive range of loans for home owners and investors. Homeloans Limited has a customer base of approximately 40,000 and a loan book around \$4.2 billion.

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Further enquiry:

Suzanne Evans, 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