

MARKET RELEASE

CHALLENGER ACQUIRES REMAINING 85% OF PLAN

30 September 2008, Sydney – Challenger Financial Services Group Limited (ASX:CGF) today announced that it has acquired the remaining 85% of PLAN*, the largest Australasian mortgage aggregator with Mortgages under Administration of \$40bn as at 31 August 2008.

Consistent with prior disclosure the remaining stake was acquired on similar financial metrics to the Choice acquisition in 2007. Final consideration was not disclosed.

Challenger's Mortgage Management Chief Executive Brian Benari said "We are a major participant in the mortgage aggregation and broker segment, a position further cemented by our acquisition of the remaining stake in PLAN. Our investments in the aggregation sector have already provided an important source of fee income to our business. Today's announcement confirms the continuation of our strategy in this sector and commitment to deliver pre-eminent service for intermediaries across our businesses."

*Challenger acquired 15% of PLAN in December 2005

Ends