

MARKET RELEASE

CHALLENGER SIMPLIFIES STRUCTURE AND ANNOUNCES NEW APPOINTMENTS

10 November 2008, Sydney – Challenger Financial Services Group (ASX:CGF) today announced revisions to its organisation structure and a number of associated new appointments. These changes will ensure an optimal structure for Challenger as the business moves into its next phase of development under the new leadership of Chief Executive Officer, Dominic Stevens.

Current Group Chief Financial Officer Paul Rogan, will move to the role of Executive General Manager Capital Risk and Strategy. This function previously fell into the remit of Mr Stevens in his former role.

The Group Chief Financial Officer role will be expanded to encompass Group Chief Operating Officer responsibilities. Brian Benari, will shift from his current responsibilities as Chief Executive, Mortgage Management to take on this role.

The current Chief Financial Officer and Chief Operating Officer for the Mortgage Management division, Drew Hall, has been appointed to the role of Chief Executive, Mortgage Management, vacated by Mr Benari.

The specialised funds component of the Asset Management business will merge with the broader Funds Management division, consolidating the Group's funds management activities and providing opportunities to drive both revenue synergies and business efficiencies. Rob Woods and Rob Adams will co-head the enlarged Funds Management business, with each taking the lead on specific functional areas within the division.

The APRA regulated Life Company component of the Asset Management business will now form its own dedicated division, with Richard Howes, elevated to the role of Chief Executive, Life.

Chief Executive Officer Dominic Stevens said: "I believe these structural changes will allow us to further optimise the business and identify efficiency gains. In particular the consolidation of our funds management activities is a logical step that provides opportunities on multiple levels. More broadly, the shift in focus for various members of the management team will ensure appropriate emphasis is placed on developing growth opportunities.

"These internal appointments clearly demonstrate the depth of talent of the Challenger management team. I look forward to continuing to work with the team as we navigate through these turbulent times and maximise the opportunities that lie ahead," said Mr Stevens.

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