

MARKET RELEASE

Challenger receives Federal Court approval for the transfer of AXA's annuity portfolio

25th November 2008, Sydney – Challenger Financial Services Group Limited (ASX:CGF) announced today that the Federal Court has unconditionally approved the transfer of the \$1.25 billion AXA Australian annuity portfolio to Challenger.

The intention to undertake this transfer via a Part 9 Scheme of Arrangement was originally announced in June 2008, subject to regulatory and court approvals. This Federal Court decision concludes the process and the transfer will take effect close of business 28th November 2008.

Chief Executive Officer, Dominic Stevens said: "The transfer of this annuity portfolio brings Challenger's annuity book to circa \$5.1 billion, reaffirming our leadership position in this sector. We are delighted to welcome some 17,000 new customers to Challenger.

"Our aim was to complete this transfer this calendar year and we're pleased this milestone has been met. Transferring with the annuity portfolio will be approximately \$1.25 billion of assets, comprising cash and investment grade fixed income assets, adding further liquidity and strength to the balance sheet of our Life Company", said Mr Stevens.

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