

MARKET RELEASE

CHALLENGER ACQUIRES SMSF SERVICES FIRM

16 December, 2013: Challenger Limited (ASX:CGF) has entered into an agreement to acquire Bendzulla Actuarial, the leading provider of SMSF actuarial certificates in Australia, with a market share of more than 50% serviced through relationships with approximately 5,500 accounting firms.

Challenger's Chief Executive Officer, Brian Benari, said: "Bendzulla is a strategic investment for our company in terms of SMSF retiree research, product and service development and distribution.

"While all retirees value secure income streams, SMSF retirees tend to be more aware of longevity risk. They know that more money doesn't necessarily insure them against the risk of outliving their savings.

Challenger intends to work with Bendzulla to expand its service offerings to SMSF customers and their accountants.

The acquisition comes at the same time as the Federal Government has announced it will soon consider the unnecessary barriers to developing longevity insurance products as part of a broader review of the regulatory arrangements for retirement income streams.

"Longevity insurance products like deferred lifetime annuities are likely to hold appeal for SMSFs if designed with their particular needs in mind", said Mr Benari.

"We look forward to contributing to the Government's post-retirement review".

Bendzulla, employing 23 people, will remain headquartered in Hobart, operating as a wholly-owned subsidiary. CEO Tracy Williams will report to Challenger's Chief Executive of Distribution, Product and Marketing, Paul Rogan.

Challenger's \$25 million acquisition of Bendzulla Actuarial is earnings accretive, meets the required 18% pre-tax RoE hurdle, and will be funded from cash reserves. The acquisition is scheduled to complete in January 2014.

Additional details on Bendzulla and its services can be found at www.bendzulla.com.

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