

MARKET RELEASE

Private Binding Tax Ruling from the Australian Tax Office

24 February 2012 Sydney – Challenger Limited (CGF.AX) this afternoon received a Private Binding Tax Ruling from the Australian Tax Office (ATO) confirming the application of the Taxation Of Financial Arrangements (TOFA). This relates to certain historical TOFA transitional elections and the impact of these elections to Challenger.

The TOFA application has now been confirmed by the ATO and is expected to result in a net reduction in tax expense of circa \$30 million for each of the three financial years 2012 to 2014. As there will be a reduction in tax expense in future periods it will be included in the calculation of normalised and reported tax expense in Challenger's financial results.

This TOFA transitional outcome was not previously recognised in Challenger's financial results given the uncertain nature of the matter.

Ends