

MARKET RELEASE

SHARE BUY-BACK UPDATE

26 November 2012, Sydney – Challenger Limited (ASX: CGF) announces that it intends to increase activity under its ongoing on-market share buy-back, targeting an investment of \$50 million over the next six months.

This investment in the share buy-back represents approximately 3¹ per cent of Challenger's shares on issue and will commence immediately. The ongoing on-market share buy-back does not require shareholder approval as it continues to be undertaken within the 10/12 limit (i.e. buy-back is limited to 10% of the smallest number of shares on issue in the previous 12 months)².

Challenger CEO Mr Benari said "we are very focused on maximising long-term shareholder returns. The investment in the on-market share buy-back is an accretive transaction for shareholders which will benefit both earnings per share and return on capital."

Challenger Life Company Limited (CLC) is well capitalised with \$719 million of regulatory capital above minimum requirements at 30 June 2012. Since 30 June 2012, CLC's regulatory capital has increased as a result of normalised operating profits and positive investment experience, net of dividends.

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¹ Based on the current Challenger share price of \$3.19. The buy-back is subject to market conditions at the time of purchasing the shares.

² Refer to the Appendix 3C released to the ASX on 18 November 2011.