

MARKET RELEASE

30 July 2004

ASSOCIATED PLANNERS SHAREHOLDERS APPROVE SCHEMES OF ARRANGEMENT

30 July 2004, Sydney - Challenger Financial Services Group Limited (CGF) announced that Associated Planners shareholders overwhelmingly approved Challenger's acquisition of Associated Planners Group Limited at scheme meetings held today.

Approval for the schemes will be sought from NSW Supreme Court next week and, if approved, the schemes are expected to become effective on August 13.

Under the schemes of arrangement, each ordinary and Z class Associated Planners shareholder will receive 5.69 CGF shares for each Associated Planners share they hold. 50 per cent of the CGF shares issued to Associated Planners shareholders will be subject to a trading lock, which is similar to an escrow arrangement. These shares will be released in two tranches, 18 months (30 per cent) and three years (70 per cent) after issue.

CGF shares that are to be issued to Zurich, which holds all Z class shares and accounts for approximately 30 per cent of Associated Planners Group Limited, will be fully vested on issue. The number of shares to be issued under the schemes will represent approximately seven per cent of the issued capital of CGF.

On completion of the acquisition, Challenger intends to merge Associated Planners with its existing financial planning arm, Garrisons Financial Planning.

Challenger's CEO Chris Cuffe welcomed the vote that reflected the support of the Associated Planners Board and an overwhelming majority of Associated Planners shareholders. "Challenger intends to continue to build a strong dealer group that is the first choice for planners, clients and employees. Combined, Associated Planners and Garrisons will create a top 10 financial planning group, with about 450 planners nationally and funds under advice of more than \$7.5 billion," he said.

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