

MARKET RELEASE

2 February 2006

CORRECTION TO DAILY TELEGRAPH ARTICLE ON POLITICAL DONATIONS

2 February 2006, Sydney – Challenger Financial Services Group Limited (CGF) advises that the Challenger Howard Mortgage Fund has not made any donations to the Australian Greens or any other political party as reported in the Daily Telegraph today. Challenger Financial Services Group and its associates have a policy of not making political donations.

The Daily Telegraph article is incorrect and highly misleading. The Australian Greens is an investor in the Challenger Howard Mortgage Fund and in its registered political party annual return disclosed receiving interest on its investment of \$5516.

ENDS