

15 October 2007

Sydney

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Sydney NSW 2000 Australia
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Sydney NSW 2001
www.challenger.com.au

Telephone 02 9994 7000
Facsimile 02 9994 7777

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement

Dear Sir

Re: Notice pursuant to a Corporations Act Section 259C (2) exemption

We enclose notice pursuant to a Corporations Act Section 259C (2). This notice is given by Challenger Financial Services Group Limited and each of its subsidiaries named in Annexure A to this notice.

Yours faithfully



Suzie Koeppenkastrup
Company Secretary

attach

Melbourne Level 10, 101 Collins Street PO Box 297, Flinders Lane, Melbourne VIC 3000 Telephone 03 8616 1800 Facsimile 03 8616 1899
Brisbane Level 9, CUA Building 175 Eagle Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3218 8000 Facsimile 07 3220 3132
Perth Level 3, 55 St Georges Terrace PO Box Z5065, St Georges Terrace, Perth WA 6831 Telephone 08 9223 7800 Facsimile 08 9221 2499
Adelaide Level 1, 212 Pirie Street Adelaide SA 5000 Telephone 08 8228 3270 Facsimile 08 8212 1661

Challenger Financial Services Group Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 91 085 657 307
Challenger Life No.2 Limited ABN 44 072 486 938 AFSL 234670 Challenger Commercial Lending Limited ABN 65 000 033 143
Challenger Managed Investments Limited ABN 94 002 835 592 AFSL 234668 RSE Lic. No. L0002967
Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236 887 CIF Investment Trust 1 ARSN 114 139 703 CIF Investment Trust 2 ARSN 114 139 632
Challenger Wine Trust ARSN 092 960 060 Challenger Diversified Property Trust 1 ARSN 121 484 606 Challenger Diversified Property Trust 2 ARSN 121 484 713 Challenger
Kenedix Japan Trust ARSN 124 068 971 Challenger Management Services Limited ABN 29 092 382 842 AFSL 234 678

Notice by Challenger Financial Services Group Limited (and associates) required pursuant to a Corporations Act Section 259C(2) Exemption

To: **Challenger Financial Services Group Limited**
(and entities listed in Annexure A)

Shareholder

Name of shareholder: **Challenger Financial Services Group Limited (ACN 106 842 371 ("Challenger")) (and entities listed in Annexure A).**

Date of this Notice: **15 October 2007**

1. Previous Notice

The shareholder's previous notice, given pursuant to an exemption under section 259C(2) *Corporations Act 2001*, was dated 11 October 2007.

2. Total number of voting shares

The total number of voting shares in Challenger Financial Services Group Limited ("**Challenger**") in respect of which Challenger or its controlled entities have the power to control voting or disposal ("**Interest**") or to which a derivative exposure is held on the date of this notice is:

Class of shares	Total number of shares	Percentage of total shares in Challenger Financial Services Group Limited
Ordinary shares in Challenger	130,200	0.023259%

3. Details of Present Interests and derivatives exposures

On the date of this notice, Challenger or its controlled entities had an Interest in or derivatives exposure to the following voting shares in Challenger, and the Interest or derivatives exposure was of the following nature:

Holder of Interest or Derivatives Exposure	Nature of Interest or Derivatives Exposure	Class and number of shares
Challenger Managed Investments Limited (" CMIL ") as responsible entity of unlisted registered managed investment schemes.	CMIL is a controlled entity of Challenger (within the meaning of Part 2J.2 of the Corporations Act) and CMIL has now ceased (see para 4 below) to hold an Interest or derivatives exposure in Challenger shares. CMIL previously held a beneficial interest in Challenger shares	130,200 ordinary shares

	in CMIL's capacity as a responsible entity of unlisted registered managed investment schemes. The Interest (or derivatives exposure) previously held by CMIL (as responsible entity of unlisted registered managed investment schemes) ceased as a result of CMIL disposing Challenger shares on-market on the financial market conducted by ASX Limited in the ordinary course of trading of that financial market.	
See Annexure A for a list of related bodies corporate of CMIL (including Challenger) which previously had (but now ceased to have) an indirect Interest or derivatives exposure to Challenger shares.	As a related body corporate of CMIL (and therefore as part of the Challenger Financial Services Group of companies), each company listed in Annexure A previously had a relevant interest in the same Challenger shares (described in the above row) in which CMIL was (but has now ceased to be) the beneficial owner as responsible entity of unlisted registered managed investment schemes.	130,200 ordinary shares

4. Changes (if any) in Interest or Derivatives Exposure since the previous notice

Particulars of each change in, or change in the nature of, the Interests of the shareholder in, or derivative exposure to, voting shares since the previous notice given by the shareholder are:

Holder of Interest	Date of Change (if any) - Acquisition or Disposal - since previous notice	Consideration	Nature of change (if any) since the previous notice	Class and number of voting shares
Challenger Managed Investments Limited ("CMIL") as responsible entity of unlisted registered	12/10/2007	32,007.45 (\$6.06 per share)	Sell	Ordinary 5,290

managed investment schemes.				
See Annexure A for a list of related bodies corporate of CMIL (including Challenger) which have an indirect Interest or derivatives exposure to Challenger shares.	As above	As above	As above	As above

5. Addresses

Name	Address
Challenger Managed Investments Limited, Challenger Financial Services Group Limited and each entity listed in Annexure A.	Level 15 255 Pitt Street Sydney NSW 2000

6. Signature

Name: Suzie Koeppenkastrop

Signature: 
Company Secretary
Challenger Financial Services Group Limited

Date: 15 October 2007

This notice (pursuant to a Corporations Act section 259C(2) exemption) comprises 6 pages in total (including **Annexure A**).
Annexure A comprises 3 pages.

Annexure A

This is page 1 of 3 pages of Annexure A referred to in the Notice by Challenger Financial Services Group Limited (and associates) pursuant to a Corporations Act Section 259(C (2) Exemption signed by me and dated 15/10/2007



Suzie Koeppenkastrup
Company Secretary

Company/Scheme	ABN/ARSN
Challenger Financial Services Group Limited	85 106 842 371
Allfine Holdings Pty Ltd	84 100 231 918
Associated Planners Financial Services Pty Limited	38 097 451 495
Associated Planners Strategic Finance Pty Limited	86 003 688 060
Beston Pacific Vineyard Management Limited	35 079 882 161
Bluezen Pty Ltd	94 100 220 175
Cescade Pty Limited	76 096 097 399
CDPG Australia Pty Limited	124 498 095
CFSG Holdings No.2 Victoria Pty Limited	107 601 605
Challenger Boutique Holdings Pty Limited	123 318 650
Challenger Boutique (GFI) Holdings Pty Limited	123 319 460
Challenger Capital Markets Limited	38 099 742 122
Challenger Commercial Lending Limited	65 000 033 143
Challenger Diversified Property Development Pty Limited	121 624 833
Challenger Financial Planning Pty Limited	123 318 641
Challenger Group Holdings Limited	50 002 993 302
Challenger Group Pty Limited	85 003 374 196
Challenger Group Services Pty. Ltd.	91 085 657 307
Challenger Hedging Limited	38 087 464 131
Challenger International Nominees Limited	70 003 942 765
Challenger Originator Finance Pty Ltd	095 085 466
Challenger Inventory Finance Servicing Pty Limited	36 107 706 810
Challenger LBC Australia Pty Limited	124 069 712
Challenger Life Holdings Pty Limited	85 080 036 657
Challenger Life No.2 Limited	44 072 486 938
Challenger Life Pty Limited	60 006 381 193
Challenger Listed Investments Limited	94 055 293 644
Challenger Managed Investments Limited	94 002 835 592
Challenger Managed Investments (International) Pty Ltd	120 871 212
Challenger Management Services Limited	29 092 382 842
Challenger Margin Lending Limited	47 091 338 822
Challenger Portfolio Management Limited	29 064 545 124
Challenger Property Asset Management Pty Ltd	90 077 569 021
Challenger Property Finance Limited	72 093 308 028
Challenger Property Funds Management Limited	34 078 627 013
Challenger Property Nominees Pty Limited	39 091 336 793
Challenger Strategic Capital Pty Limited	116 411 388
Challenger Superannuation Pty Ltd	52 006 475 501
Challenger Treasury Limited	47 093 307 996

Annexure A

This is page 2 of 3 pages of Annexure A referred to in the Notice by Challenger Financial Services Group Limited (and associates) pursuant to a Corporations Act Section 259(C (2) Exemption signed by me and dated 15/10/2007



Suzie Koeppenastrop
Company Secretary

Company/Scheme	ABN/ARSN
Challenger US Infrastructure Holdings Pty Ltd	117 401 519
Challenger Wealth Management Pty Limited	107 728 030
Challenger Mortgage Management Holdings Pty Limited	57 095 300 502
CPHIC Investments Pty Ltd	95 093 340 526
CSPP1 Broadbeach Pty Ltd	122 460 977
CSPP1 Investment Company 1 Pty Limited	120 463 023
CSPP1 Mavis Court Pty Ltd	122 461 983
CSPP1 Maitland Pty Ltd	122 460 968
eFinancial Capital Limited	58 089 796 798
Encap Funds Management Pty Limited	125 211 770
Endowment Warrants Limited	45 009 568 503
Foundation Wealth Advisers Pty Ltd	86 085 654 860
FXF Finance Pty Ltd	080 419 521
FXF Holdings Pty Ltd	080 419 512
FXF Investments Pty Ltd	080 149 549
Garrisons Pty Limited	50 009 556 370
Genesys Group Limited	003 357 024
Genesys Wealth Advisers Limited	060 778 216
Genesys Wealth Advisers (WA) Pty Limited	84 104 441 947
Hindmarsh Square Finance Services Pty Ltd	080 732 896
Hindmarsh Square Wealth Advisers Pty Ltd	125 357 226
Inexus Australian Holdings Company Limited	115 840 661
Interstar Home Loan Corporation Pty Limited	058 891 302
Interstar Securities (NZ) Pty Ltd	087 217 136
Challenger Securitisation Management Pty Limited	56 100 346 898
Challenger Special Servicing Pty Ltd	77 107 707 415
Interstar Wholesale Finance Holdings Pty Limited	087 284 240
Challenger Mortgage Management Pty Limited	72 087 271 109
Mawbury Pty Limited	95 096 097 479
Mavis Court Development Co Pty Ltd	124 112 956
Northstar Lending Pty Ltd	057 707 687
Solar Risk Pty Limited	26 092 265 373
Synergy Capital Management Limited	19 062 264 108
Talavera Herring Pty Limited	34 086 068 984
The Liberty Group Consortium Pty Ltd	79 082 564 289
TLG Services Pty Limited	20 092 500 608
TLGH Pty Limited	85 092 927 467
Wilsanik Pty Ltd	48 111 806 252

Annexure A

This is page 3 of 3 pages of Annexure A referred to in the Notice by Challenger Financial Services Group Limited (and associates) pursuant to a Corporations Act Section 259(C (2) Exemption signed by me and dated 15/10/2007



Suzie Koeppenkastrup
Company Secretary

Company/Scheme	ABN/ARSN
Overseas Companies	
Challenger International (New Zealand) Limited	
Challenger Securities (New Zealand) Limited	
Sabrand Limited	
Challenger Hungary International Capital and Management Limited Liability Company	
Challenger REIT Number 1 Limited	
Challenger Milk Street LLC	
Challenger South Monaco LLC (US)	
Challenger Las Cimas LLC	
Challenger Life (UK) Limited	
Challenger Group Services (UK) Limited	
Interstar Home Loan Corporation NZ Limited	
Interstar Securities NZ Limited	
ZCM Australia Asset Holdings Limited	