



Sydney

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Telephone 02 9994 7000
Facsimile 02 9994 7777

21 January 2008

Mr. Ben Wachter
Adviser Issuers (Sydney)
Market Supervision
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 1215

Dear Mr. Wachter

Challenger Financial Services Group Limited (CGF)

I refer to your letter dated 21 January 2008 and answer your questions as follows:

1. No.
2. Not applicable.
3. No.
4. No.
5. No.
6. We are in compliance with all listing rules, including listing rule 3.1.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Robson".

Chris Robson
Group Company Secretary

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
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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 44 072 466 936 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



21 January 2008

Mr Chris Robson
Company Secretary
Challenger Financial Services Group Limited
Level 15
255 Pitt Street
Sydney NSW 2000

By email: crobson@challenger.com.au

Dear Chris

Challenger Financial Services Group Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of \$4.19 on 18 January 2008 to a low of \$3.42 at the time of writing today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the current financial year would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the current financial year? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

ASX Limited
ABN 98 008 624 691
Exchange Centre
Level 1, 20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227-0409
Facsimile 61 2 9241-7620
Internet <http://www.asx.com.au>
DX 10427 Stock Exchange Sydney

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at ben.wacher@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the commencement of trading (ie before 9.30 a.m. A.E.D.T) on Tuesday, 22 January 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please call me on (02) 9227 0409.

Yours sincerely

[sent electronically without signature]
Ben Wachter
Advisor, Issuers (Sydney)