

23 March 2012

Ms Stephanie So  
Advisor, Listings  
ASX Compliance Pty Ltd  
Exchange Centre  
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**Sydney**

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Dear Ms So

**Appendix 3Y – Change of Director's Interest**

Following Mr Benari's appointment as CEO on 17 February and shareholder approval of his remuneration arrangements, in so far as they may provide retirement benefits, at the Challenger Limited Extraordinary General Meeting (EGM) on 28 February 2012, Mr Benari has been granted the 1.25 million hurdled performance rights due to vest over the next four years subject to performance hurdles, which were referred to in the Explanatory Memorandum to the Notice of Meeting for the EGM.

The attached Appendix 3Y sets out the details of this grant.

Yours sincerely



Suzie Koeppenkastrop  
Company Secretary  
Challenger Limited

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Challenger Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 91 085 657 307  
Challenger Life Company 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 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 Management Services Limited ABN 29 092 382 842 AFSL 234 678  
Challenger Retirement Services Pty Limited ABN 80 115 534 453 AFSL295642 RSE Licence No. L0001304  
Challenger Mortgage Management Pty Ltd ABN 72 087 271 109 Challenger Securitisation Management Pty Ltd ABN 56 100 346 898 AFSL 244593  
Challenger Investment Services Limited ABN 44 119 605 373 AFSL 320505

# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/09/01 Amended 01/01/11

<b>Name of entity</b> Challenger Limited
<b>ABN</b> 85 106 842 371

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Brian Benari
<b>Date of last notice</b>	23 February 2012

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Direct or indirect interest</b>	No change
<b>Nature of indirect interest (including registered holder)</b> <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	
<b>Date of change</b>	
<b>No. of securities held prior to change</b>	
<b>Class</b>	
<b>Number acquired</b>	
<b>Number disposed</b>	
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	
<b>No. of securities held after change</b>	

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+ See chapter 19 for defined terms.

## Appendix 3Y

### Change of Director's Interest Notice

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<p><b>Nature of change</b>          Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	
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#### Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	Mr Benari has been awarded 1,250,000 hurdled performance rights that vest subject to performance hurdles (March 2012 Hurdled Performance Rights).
<b>Nature of interest</b>	Mr Benari has been granted the March 2012 Hurdled Performance Rights following his appointment as CEO on 17 February and shareholder approval of his remuneration arrangements, in so far as they may provide retirement benefits, at the Challenger Limited Extraordinary General Meeting (EGM) on 28 February 2012. The March 2012 Hurdled Performance Rights are due to vest over the next four years, one third vesting on each of 16 Feb 2014, 16 Feb 2015, and 16 Feb 2016 subject to performance hurdles, which were referred to in the Explanatory Memorandum to the Notice of Meeting for the EGM.
<b>Name of registered holder (if issued securities)</b>	n/a
<b>Date of change</b>	16 March 2012
<b>No. and class of securities to which interest related prior to change</b> <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	n/a
<b>Interest acquired</b>	1,250,000 hurdled performance rights
<b>Interest disposed</b>	nil
<b>Value/Consideration</b> <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	n/a
<b>Interest after change</b>	2,508,517 performance rights  As previously disclosed, interests under Funding and Collar Arrangements in respect of 300,000 ordinary shares in Challenger Limited.

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+ See chapter 19 for defined terms.

**Part 3 – +Closed period**

<b>Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?</b>	no
<b>If so, was prior written clearance provided to allow the trade to proceed during this period?</b>	n/a
<b>If prior written clearance was provided, on what date was this provided?</b>	n/a

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