

Sydney

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22 September 2014

Ms Stephanie So
Senior Adviser, Listings Compliance
ASX
Exchange Centre
Level 6, 20 Bridge Street
Sydney, NSW 2000

Dear Stephanie,

Appendix 3Y – Change of Director's Interest

Attached is an Appendix 3Y for Mr Brian Benari, Chief Executive Officer, for:

1. the shares transferred to Mr Benari relating to the vesting of tranches of the 2010 Hurdled Performance Rights resulting from the satisfaction of relevant performance hurdles; and
2. the sale of shares received as a result of the recent vesting of Performance Rights; and
3. the grant of Performance Rights in September 2014.

Mr Benari continues to maintain a Challenger shareholding in excess of the Company's recently increased minimum shareholding requirements.

Yours sincerely,


Andrew Brown
Company Secretary

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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 Howard Commercial Lending Limited ABN 65 000 033 143
Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236 887 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 234 676
Challenger Retirement and Investment Services Limited ABN 80 115 534 453 AFSL295642 RSE Licence No. L0001304
Challenger Mortgage Management Pty Ltd ABN 72 067 271 109 Challenger Securitisation Management Pty Ltd ABN 56 100 346 898 AFSL 244593
15694/CG045/0813

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

Name of entity Challenger Limited
ABN 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.

Name of Director	Brian Benari
Date of last notice	8 September 2014

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.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Indirect held via Benari Superannuation Fund
Date of change	16 September 2014 (vesting) 17 - 22 September 2014 (sale)
No. of securities held prior to change	1,640,663 shares (including 350,000 shares held by Benari Superannuation Fund)
Class	Ordinary shares
Number acquired	268,334, resulting from vesting and allocation of 2010 Hurdled Performance Rights.
Number disposed	908,997 sale of shares received as a result of recent vesting of 2010, 2011, 2012 and 2013 Performance Rights.
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$7.55 per share (vesting) \$7.22 per share (sale)

+ See chapter 19 for defined terms.

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No. of securities held after change	1,000,000 shares (including 350,000 shares held by Benari Superannuation Fund).
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Vesting and allocation of a portion of the 2010 Hurdled Performance Rights pursuant to the Challenger Performance Plan Rules and sale of 908,997 shares received as a result of the recent vesting of 2010, 2011, 2012 and 2013 Performance Rights.

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.

Detail of contract	As previously disclosed, Mr Benari held 2,384,175 Performance Rights under the Challenger Performance Plan comprising: <ul style="list-style-type: none"> • 232,507 Deferred Performance Rights; and • 2,151,668 Hurdled Performance Rights.
Nature of interest	n/a
Name of registered holder (if issued securities)	n/a
Date of change	16 September 2014 (grant of Performance Rights) 16 September 2014 (vesting and allocation of Performance Rights)
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	n/a
Interest acquired	625,179 Performance Rights comprising: <ul style="list-style-type: none"> • 206,090 Deferred Performance Rights vesting over one to three years; and • 419,089 Hurdled Performance Rights vesting over three to five years.
Interest disposed	268,334 resulting from the vesting and allocation of 2010 Hurdled Performance Rights pursuant to the Challenger Performance Plan Rules.

+ See chapter 19 for defined terms.

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Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	n/a (grant) \$7.55 (vesting)
Interest after change	2,741,020 Performance Rights comprising: <ul style="list-style-type: none">• 438,597 Deferred Performance Rights; and• 2,302,423 Hurdled Performance Rights.

Part 3 – ⁺Closed period

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

⁺ See chapter 19 for defined terms.