

MARKET RELEASE

CHALLENGER SHARE PURCHASE PLAN RAISES \$40 MILLION

3 October 2014, Sydney — Challenger Limited (ASX: CGF) has successfully completed its Share Purchase Plan (SPP), raising \$40 million from more than 3,500 of its shareholders.

Applications exceeded the \$30 million Challenger expected to raise via the SPP. In recognition of the strong support received from retail shareholders, Challenger has accepted all valid SPP applications in full, with no scale back applied.

Challenger's Chief Executive Officer, Mr Brian Benari said: "We are very pleased with the support shown by our retail shareholders and believe we have achieved a fair and equitable outcome across Challenger's shareholder base".

The SPP provided Australian and New Zealand shareholders the opportunity to purchase new Challenger shares at the same, or a lower price than the institutional equity placement undertaken on 20 August 2014. The SPP issue price is \$7.10 per share, representing a 2.5% discount to the volume weighted average price of Challenger shares over the last five trading days of the SPP offer period¹.

Proceeds of both the institutional placement and SPP will be used to fund Challenger's future growth.

Under the SPP, Challenger will issue approximately 5.7 million new shares to existing investors, with the new shares expected to commence trading on 9 October 2014. Holding statements will be mailed to participating shareholders on 10 October 2014.

ENDS

¹ 22 September to 26 September 2014.

Disclaimer

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other country. The new securities to be offered and sold in the Share Purchase Plan have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

The forward-looking statements, estimates and projections contained in this release are not representations as to future performance and nothing in this release should be relied upon as guarantees or representations of future performance.

Further enquiry: Stuart Kingham, Head of Investor Relations, Challenger Limited, 02 9994 7125
Stuart Barton, General Manager of Marketing and Communications, Challenger Limited, 02 9994 7008