

MARKET RELEASE

SUCCESSFUL COMPLETION OF \$250M INSTITUTIONAL PLACEMENT

21 August 2014, Sydney — Challenger Limited (ASX: CGF) announces the successful completion of a \$250 million institutional share placement undertaken on 20 August 2014.

Following strong demand from existing and new institutional investors through the bookbuild process, Challenger will issue approximately 33.2 million new shares under the placement at a price of \$7.53 per share. The proceeds of the placement will be used to fund Challenger's future growth.

Shares issued under the placement will rank equally with existing Challenger ordinary shares but will not be eligible for the FY14 final dividend. Settlement of shares issued under the placement is scheduled to occur on Thursday 28 August 2014, with issue on Friday 29 August 2014, being the ex-dividend date for Challenger's final FY14 dividend.

The placement price of \$7.53 per share, represents a 3.6% discount to the 19 August 2014 closing share price (adjusted for the FY14 final dividend) or a 1.1% discount to the 10 day volume weighted average price (adjusted for the FY14 final dividend).

Challenger's Chief Executive Officer, Mr Brian Benari said: "We are delighted with the very strong level of support our shareholders continue to show and the recognition they have for our growth profile. This placement together with the other capital initiatives announced with FY14 result will ensure we have the capital available to fulfil our growth ambitions."

Challenger will also be undertaking a Share Purchase Plan (SPP), which will provide eligible retail Australian and New Zealand investors the opportunity to participate. Challenger will provide further details on the SPP to eligible shareholders in due course.

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Disclaimer: 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.