

MARKET RELEASE

CHALLENGER DIVERSIFIED PROPERTY GROUP – COMPLETION OF COMPULSORY ACQUISITION

04 July 2014, Sydney – Challenger Diversified Property Group (ASX: CDI) today announced that Challenger Life Nominees Pty Ltd as trustee of Challenger Australia Listed Property Holding Trust has completed compulsory acquisition of all outstanding CDI units.

For CDI unitholders whose units were compulsorily acquired, they will shortly receive a letter (copy attached) detailing how to receive the consideration owing to them.

The consideration for compulsory acquisition is \$2.74 per CDI unit, reduced by any distribution amount to which the unitholders are entitled. The estimated distribution for six months ending 30 June 2014 is 9.3 cents per CDI unit. When the attached claim form is returned and CDI has finalised the distribution amount (which is expected to occur on or around 4 August 2014), the compulsory acquisition consideration will be paid to former CDI unitholders. The distribution will be paid separately on 29 August 2014.

END

Important notice:

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CDI, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

Further enquiry: Jana Flanagan, Investor Relations Analyst, Challenger Diversified Property Group, 02 9994 7815
Nicole Webb, Corporate Communications Associate, Challenger Diversified Property Group, 02 9994 7806

Sydney

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Sydney NSW 2001
www.challenger.com.au

Telephone 02 9994 7000
Facsimile 02 9994 7777

4 July 2014

[Name/Address Line 1]
[Name/ Address Line 2]
[Name/ Address Line 3]
[Name/ Address Line 4]
[Name/ Address Line 5]
[Name/ Address Line 6]

Dear former unitholder

Units formerly held by you in Challenger Diversified Property Group (CDI)

In late May 2014, following the off-market takeover offer by Challenger Life Nominees Pty Ltd as trustee of Challenger Australia Listed Property Holding Trust (**Challenger Life Bidder**) for all of the units in Challenger Diversified Property Group (**CDI**), Challenger Life Bidder commenced the compulsory acquisition of all of the outstanding CDI units.

In accordance with the notice of compulsory acquisition sent to you on 29 May 2014 under section 661B(1) of the Corporations Act 2001 (Cwlth), Challenger Life Bidder has now completed the compulsory acquisition of your units in CDI (**CDI Units**).

The consideration to which you are entitled for the compulsory acquisition (\$2.74 for each of your CDI Units reduced by the amount of any Distribution per CDI Unit to which you become entitled) (**Consideration**) is currently being held by CDI in trust for you. The estimated Distribution is 9.3 cents per CDI Unit. It is expected that the Distribution will be finalised on or around 4 August 2014 after which you will receive your Consideration and payment confirmation statement. The Distribution will be paid separately on 29 August 2014.

To receive your Consideration, please provide instructions to us as to how to deal with that consideration by completing the attached Claim Form and returning it, either by using the enclosed self-addressed envelope or by posting to:

Link Market Services Limited
Challenger Diversified Property Group Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

Melbourne Level 19, 31 Queen Street PO Box 297, Flinders Lane, Melbourne VIC 3000 Telephone 02 9994 7000 Facsimile 02 9994 7777
Brisbane Level 9, 241 Adelaide Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3136 5400 Facsimile 07 3136 5407
Perth Level 5, 50 St Georges Terrace, Perth WA 6000 Telephone 08 9261 7412 Facsimile 08 9321 5277
Adelaide Level 7, Suite 714, 147 Pirie Street Adelaide SA 5000 Telephone 08 7071 7042 Facsimile 08 8227 0395

Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236887
Responsible Entity for the Challenger Diversified Property Group (comprising Challenger Diversified Property Trust 1 ARSN 121 484 606 and Challenger Diversified Property Trust 2 ARSN 121 484 713)

When the Claim Form is returned, the Consideration will be sent to you at the address specified at the top of the Claim Form. If your address has changed or you would like the Consideration to be forwarded to another address, please cross out the current address and specify the other address on the Claim Form.

Please note that if you do not instruct CDI as to how it should deal with the Consideration before March 2015, your Consideration will be listed as unclaimed money in the Australian Securities and Investments Commission (**ASIC**) Gazette and ultimately transferred to ASIC to be dealt with as unclaimed money.

We strongly encourage you to complete and return the Claim Form and claim your Consideration as soon as possible.

If you have any queries in relation to this process or your entitlements, please contact the CDI unitholder information line on 1800 649 099 (within Australia), or +61 1800 649 099 (from outside Australia).

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Andrew Brown', with a stylized flourish at the end.

Andrew Brown
Company Secretary
Challenger Listed Investments Limited
Responsible Entity for the Challenger Diversified Property Group

Claim Form

«Name & Address_1»
«Name & Address_2»
«Name & Address_3»
«Name & Address_4»
«Name & Address_5»
«Name & Address_6»

Unitholder Reference Number

«SRN/HIN»



This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your financial, legal or professional adviser immediately.

Use this Claim Form to obtain the cash amount to which you are entitled following the compulsory acquisition of your units in Challenger Diversified Property Group ("CDI") by Challenger Life Nominees Pty Ltd (ABN 39 091 336 793) as trustee of Challenger Australia Listed Property Holding Trust (Challenger Life Bidder).

Number of your CDI Units acquired by Challenger Life Bidder	Cash consideration payable to you at A\$2.74 (less the estimated distribution of 9.30 cents*) per CDI Unit
«Shares»	«Consideration»

*The Distribution for the six months ending 30 June 2014 will be paid to CDI unitholders on 29 August 2014. Please refer to the CDI ASX announcement dated 18 June 2014.

I/We, the person(s) named above, refer to the letter from CDI dated 4 July 2014 and:

- instruct CDI to pay to me/us the consideration due to me/us for the compulsory acquisition of my/our CDI Units by Challenger Life Bidder, as specified above, by sending a cheque for such amount(s) made payable to me/us by ordinary mail (or in the case of an address outside Australia, by airmail);
- confirm to CDI that the address to which my/our consideration is to be remitted is:
 - the same as in the CDI register immediately before the transfer of my/our CDI Units to Challenger Life Bidder (specified above); or
 - as follows (only complete if your address has changed); and

<u>Insert new address (if applicable):</u>	Note: If you have provided a new address, you must provide certified copies of supporting documents, such as a driver's licence, council rates notices or utility statements that show your new address and your former address as recorded on the CDI register.

- agree that the payment of the consideration set out above by posted cheque will be a complete release and discharge of all obligations of Challenger Life Bidder and CDI to me/us in respect of the consideration for the compulsory acquisition of my/our CDI Units by Challenger Life Bidder and that CDI, Challenger Life Bidder and Link Market Services Limited ("Link") will not be responsible for any loss of documents in the ordinary course of post.

Please see overleaf for instructions on how to complete this Claim Form and then sign and date here and provide details of a telephone number where you can be contacted during business hours

Signature(s) - To be completed by the former unitholder

Unitholder 1 (Individual)

Sole Director and Sole Company Secretary (if a company)

Joint Unitholder 2 (Individual)

Director/Company Secretary (delete one) (if a company)

Joint Unitholder 3 (Individual)

Director (if a company)

Contact Details

Telephone Number

()

Contact Name (PRINT)

Date

____ / ____ / ____



Challenger Diversified Property Group

Compulsory Acquisition Cash Proceeds Claim Form

Instructions for completion of this Claim Form

1. **Read this form carefully.**
2. **If your address has changed from the address specified on this form, complete your address details in the space provided in paragraph (b) of the Claim Form.**

If you have inserted new address details in the space provided in paragraph (b), you must provide certified copies of supporting documents, such as a driver's licence, council rates notices or utility statements that show your new address.
3. **Sign and date this form in the space provided.**
 - (a) **Individuals**

A single signature is required from the unitholder.
 - (b) **Joint Holders**

All joint former holders must sign this Claim Form.
 - (c) **Corporations**

This Claim Form must be signed by:

 - two directors or a director and company secretary;
 - where the company has a sole director and there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone; or
 - a duly appointed attorney.
 - (d) **Power of Attorney and Deceased Estates**

If this Claim Form is signed under power of attorney, or by the executors of a deceased estate, or by the administrators, the relevant power of attorney, certified copies of probate or letters of administration, together with any other documents required by law, must be attached.

If this Claim Form is signed under power of attorney, the attorney declares that they have no notice of revocation of that power.
 - (e) **Trust or Partnership**

The signatory must produce the trust instrument, partnership agreement or other authority (or a certified copy of it) to act in that capacity acceptable to Link.
4. **Return this form (properly completed, signed and dated) and any other documents required by these instructions in the enclosed reply paid envelope or deliver to:**

Postal Address:	Hand delivery:
Link Market Services Limited	Link Market Services Limited
Challenger Diversified Property Group Takeover	Challenger Diversified Property Group Takeover
Locked Bag A14	1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235	RHODES NSW 2138

Queries

If you have any queries in relation to this Claim Form or in relation to the compulsory acquisition of the CDI Units formerly held by you, please call the CDI unitholder information line on 1800 649 099 (within Australia), or +61 1800 649 099 (from outside Australia).

Privacy Statement

Information that you supply in this Claim Form will be used by CDI, Challenger Life Bidder and Link for the primary purpose of providing you with the consideration to the compulsory acquisition of your CDI Units. This information may be disclosed to Challenger Life Bidder and CDI professional advisers, printing and mailing providers and other third parties in connection with that payment. If you fail to supply the requested information, CDI may not be able to provide the relevant consideration to you. You have rights to access the personal information you have supplied. Please see Link's privacy policy on its website www.linkmarketservices.com.au.