



30 November 2011
ASX Announcement

HFA Holdings Limited – Half Year Earnings Guidance

The Board of HFA Holdings Limited (ASX: HFA) provides the following guidance for the half year ending 31 December, 2011.

The Company expects to report earnings before interest, tax, depreciation and amortisation (EBITDA) of between USD 3 million and USD 4 million. This compares to EBITDA of USD 10.1 million for the corresponding period ended 31 December, 2010.

This expected decrease in EBITDA compared to the prior period result is primarily due to:

- A significant drop in product investment performance fee revenue due to volatility in global markets in the first half of the financial year.
- An increase in non-cash equity settled transaction expense, resulting from performance rights issued to the Apollo Group, and executives and other staff of the Lighthouse business during the second half of the financial year ended 30 June 2011.
- A one off expense relating to the finalisation of the former Group Chief Executive Officer's service agreement.
- A one off expense relating to a reduction in staff resulting from a restructure of the Australian Certitude business.
- As outlined in the Company's financial report for the year ended 30 June 2011, Lighthouse is continuing to focus on the expansion of its capabilities. As a result of this expansion, and the associated need to attract and retain suitably qualified staff, a review of the Lighthouse compensation structure has been undertaken to ensure that staff are remunerated in line with industry standards. This has resulted in an increase in personnel expense. While some benefits of these expenditures have been realised, it is expected that the full benefits of these expansion activities will be reflected in the Group's results in the following financial years.

For the half year ending 31 December 2010, Group Assets under Management and Advice (AUMA) was USD 5.13 billion after accounting for net outflows of USD 158.2 million. By comparison for the half year ending 30 June 2011 the Group experienced AUMA net inflows of USD 425.7

million and for the period 1 July 2011 to 31 October 2011 the Group experienced AUMA net inflows of USD 414.5 million. Group AUMA was USD 6.03 billion as at 31 October 2011.

HFA has not previously provided guidance for the current financial year due to the considerable uncertainty surrounding the global economy and financial markets.

ENDS:

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