Appendix 4D

Half-Year Ended 31 December 2012

(All comparisons to half-year ended 31 December 2011)

Results for announcement to the market

		% movement		USD '000
Revenue from ordinary activities	Up	2%	to	33,632
Earnings before interest, tax, depreciation and amortisation	Up	114%	to	8,657
Profit/(loss) from ordinary activities after tax attributable to members	Up	216%	to	2,582
Net profit/(loss) for the period attributable to members	Up	216%	to	2,582

Dividend information

	Amount per share (US cents)	Franked amount per share (US cents)	Tax rate for franking
2013 interim dividend per share (to be paid)	3.0	3.0	30%
Total dividends per share	3.0	3.0	30%

Interim dividend dates

Record date	4 March 2013
Payment date	29 March 2013

HFA dividends are determined in US dollars. However, shareholders will receive their dividend in Australian dollars. Currency conversion will be based on the foreign exchange rate on the record date of 4 March 2013.

	31 Dec 2012 (US cents)	31 Dec 2011 (US cents)
Net tangible assets per security	7.32	(2.36)

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial report.

This report is based on the consolidated half-year financial report which has been subject to a review by KPMG.

HFA Holdings Limited

and its controlled entities

Interim Financial Report

31 December 2012

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Directors' Report

The directors present their report together with the interim financial report of HFA Holdings Limited and its subsidiaries (the 'Group') for the six months ended 31 December 2012 and the review report thereon.

Directors

The directors of HFA Holdings Limited (the 'Company'/'HFA') at any time during or since the end of the interim period are:

Name	Period of directorship
Non-executive	
Mr Spencer Young (Chairperson)	Appointed 15 May 2003 *Executive Director 15 May 2003 - 13 April 2007* *Non-executive Director 13 April 2007 - 18 September 2007* *Executive Director 18 September 2007 - 10 November 2011* *Non-executive Director 10 November 2011 - current*
Mr FP (Andy) Esteban	Appointed 18 June 2008
Mr John Larum	Appointed 12 December 2008, Retired 17 October 2012
Mr Michael Shepherd	Appointed 16 December 2009
Mr Anthony Civale	Appointed 25 February 2011
Mr Grant Kelley	Appointed 25 February 2011
Mr James Zelter	Appointed 25 February 2011
Mr Andrew Bluhm	Appointed 17 October 2012
Executive	
Sean McGould	Appointed 3 January 2008

Principal activities

The principal activity of the Group during the course of the six months ended 31 December 2012 was the provision of investment management products and services to investors globally via Lighthouse Investment Partners, LLC and Certitude Global Investments Limited ('Certitude').

HFA Holdings Limited is a company limited by shares that is incorporated in Australia. A wholly owned subsidiary, HFA Lighthouse Holdings Corp is the parent entity of the US based Lighthouse Group ('Lighthouse'), which through Lighthouse Investment Partners, LLC acts as a global absolute return funds manager and adviser, and operates a managed account program for its funds and clients. Another wholly owned subsidiary, Certitude, acts as the responsible entity and manager of schemes in Australia.

Operating and financial review

Consolidated results

For the six months ended: *In thousands of USD*	31 December 2012	31 December 2011
Revenue	33,632	32,876
Investment management costs	(5,018)	(6,152)
Operating income	**28,614**	**26,724**
Operating expenses, excluding depreciation and amortisation	(20,178)	(21,386)
Net finance costs, excluding interest income / (expense)	221	(221)
Earnings before interest, tax, depreciation, amortisation and equity settled transactions	**8,657**	**5,117**
Equity settled transaction expenses	-	(1,076)
Earnings before interest, tax, depreciation and amortisation	**8,657**	**4,041**
Depreciation and amortisation	(4,910)	(5,014)
Net interest income / (expenses)	(1,153)	(1,248)
Profit/(loss) before income tax	**2,594**	**(2,221)**
Income tax benefit / (expense)	(12)	(7)
Net profit/(loss) after income tax	**2,582**	**(2,228)**
Basic EPS (cents)	**1.919**	**(0.445)**

The above presentation of the Group's consolidated results is unaudited and unreviewed, however it is based on amounts extracted from the reviewed financial statements and reconciles to the profit / (loss) before and after income tax as reported in the Consolidated Income Statement on page 9.

This presentation of the Group's results is intended to provide a measure of the Group's performance before the impact of non-cash expense items such as equity settled transactions and depreciation and amortisation, as well as interest costs associated with the Group's external debt facility and convertible notes on issue.

Net finance costs, excluding interest income / (expense), includes fair value movements on investments held in Group managed products, finance costs such as bank fees, and foreign currency gains and losses recognised in relation to monetary assets and liabilities.

Net income from operating activities

Group revenue and net income from operating activities increased compared to the corresponding prior year period at $33.632 million and $28.614 million respectively. This increase was driven by an 18.7% growth in average Assets Under Management and Advice (AUMA) partially offset by a reduction in the average net management fees (after investment management costs) earned on AUMA.

Lighthouse

Net income from operating activities for the US Lighthouse operations was $26.088 million, up 12.1% from the corresponding prior year period. This increase was driven by a 24.9% growth in average AUMA when compared to the six months ended 31 December 2011, partially offset by an 8.8% reduction in the average net management fee.

The reduction in net management fees reflects the business unit's previously stated broadening of its client base to include investment mandates and managed account program services for large institutional clients such as pension funds, which generally earn lower fees than Lighthouse's traditional fund-of-fund products.

Certitude

Certitude operations experienced a 26.8% decrease in net income from operating activities to $2.526 million. This reflects a 9.4% decrease in average AUD AUMA when compared to the six months ended 31 December 2011. The average AUD net management fee (after investment management costs) has decreased by 19.3%, due to changes in the overall product mix in line with its new strategic direction, a reduction in the management fee rate applicable to the HFA Octane Global products, and the impact of fixed investment management costs relating to distribution channels such as master trusts and platforms that have remained relatively steady despite the fall in AUMA.

Operating expenses

Operating expenses (excluding depreciation and amortisation costs) decreased to $20.178 million for the six months ended 31 December 2012. This represents a decrease of $1.208 million or 5.6% when compared to the corresponding prior year period. This is predominately due to decreases in personnel expenses, marketing costs and other administration costs.

Personnel expenses have decreased as a result of the following factors:

- One off expenses in the six months ended 31 December 2011 relating to the finalisation of the former Group Chief Executive Officer’s service agreement; and
- One off expenses in the six months ended 31 December 2011 relating to a reduction in staff resulting from a restructure of the Australian Certitude business.

Lighthouse personnel costs have remained in line with the six months ended 31 December 2011.

Lighthouse has incurred additional professional fees in the current period in relation to legal fees associated with the platform services business opportunities, one-off costs in relation to employee matters, and external consultant costs in relation to information technology requirements.

Equity settled transactions

There are no equity settled transaction expenses in the six months ended 31 December 2012. The Group's equity settled transaction expense of $1.076 million recognised in the prior period related to:

- performance rights issued in December 2010 to the former Group Chief Executive Officer ('CEO'), a significant portion of which vested upon his resignation in November 2011;
- performance rights issued in December 2010 to key management personnel and other key employees of Lighthouse Investment Partners, LLC; and
- performance rights issued in April 2011 to the Apollo Group as consideration for services provided under the terms of the Marketing Agreement entered into between the Apollo Group and Lighthouse Investment Partners, LLC.

Please refer to note 11 for additional detail.

Debt and net interest expense

On 7 March 2011, the Company issued $75 million of convertible notes. The third interest accrual period in relation to these convertible notes ended on 7 September 2012. Interest accrued for this period was capitalised in accordance with the note subscription agreement, resulting in a $2.407 million increase in the face value of the notes.

Since 30 June 2012, the Group has reduced its USD denominated secured bank loan from $26.323 million to $25.323 million.

Assets under management and advice

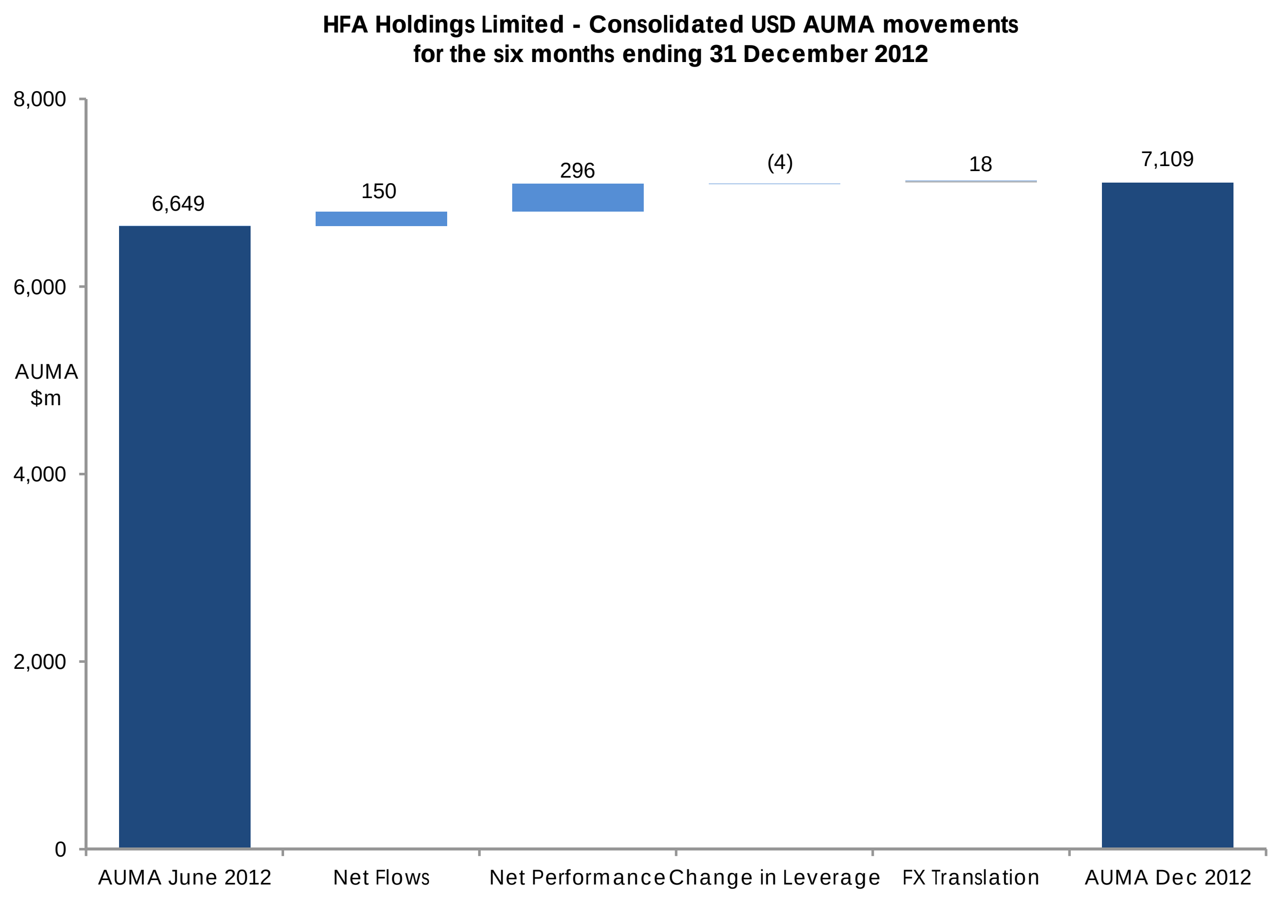
The Group's growth in AUMA demonstrates the steadier conditions experienced by the global investment management industry over the past 18 months, although raising money from investors remains challenging, both at an institutional and retail level.

As at 31 December 2012, HFA had total AUMA of $7.109 billion (30 June 2012: $6.649 billion). This represents an increase of 6.9% in AUMA since the end of the previous financial year.

Lighthouse achieved positive growth in Assets under Management and Advice (AUMA) of 8.3% for the six months ended 31 December 2012.

Certitude reported a 3.1% decrease in AUD AUMA for the six months ended 31 December 2012. This was driven by the maturity of some of its structured products during the period.

The following chart shows how performance, net flows, reduction in leverage within the products and foreign exchange translation impacted AUMA over the six months ended 31 December 2012:



Dividends

The directors have at the date of this report determined an interim dividend of USD 3.0 cents per share which will be fully franked and payable on 29 March 2013.

The interim dividend is not necessarily an indicator of future dividend policy. In addition, based on the Company's franking account balance, it is expected that any final dividend paid by the Company in relation to the 2013 financial year will be approximately 50% franked, and that dividends paid thereafter are unlikely to be franked.

Events subsequent to reporting date

Except for the interim dividend referred to above, in the opinion of the directors of the Company, there has not arisen, in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Rounding off

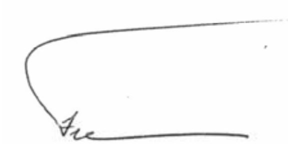
The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration required under section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the directors' report for the six months ended 31 December 2012.

Signed in accordance with a resolution of directors:

Spencer Young
Chairperson



F P (Andy) Esteban
Non-Executive Director

Dated at Sydney this 14th day of February 2013

KPMG

To the directors of HFA Holdings Limited:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Stephen Board
Partner

Brisbane
14 February 2013

Consolidated statement of financial position
As at 31 December 2012

In thousands of USD	Note	31 December 2012	30 June 2012
Assets			
Cash and cash equivalents		27,703	32,736
Investments in cash term deposits		14,966	9,259
Trade and other receivables		14,694	15,821
Current tax assets		65	51
Total current assets		**57,428**	**57,867**
Investments		6,911	6,518
Plant and equipment		811	874
Intangible assets	9	124,001	127,466
Other non-current assets		702	697
Total non-current assets		**132,425**	**135,555**
Total assets		**189,853**	**193,422**
Liabilities			
Trade and other payables		8,248	7,373
Employee benefits		2,076	6,092
Loans and borrowings	10	4,546	4,311
Total current liabilities		**14,870**	**17,776**
Employee benefits		136	109
Loans and borrowings	10	42,152	43,787
Total non-current liabilities		**42,288**	**43,896**
Total liabilities		**57,158**	**61,672**
Net assets		**132,695**	**131,750**
Equity			
Share capital		265,429	263,785
Reserves		11,118	10,772
Accumulated losses		(143,852)	(142,807)
Total equity		**132,695**	**131,750**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Consolidated income statement
For the six months ended 31 December 2012

In thousands of USD	Note	31 December 2012	31 December 2011
Revenue	7	33,632	32,876
Investment management costs		(5,018)	(6,152)
Net income from operating activities		**28,614**	**26,724**
Other income	7	1	-
Expenses	7	(25,089)	(26,400)
Equity settled transactions	7,11	-	(1,076)
Results from operating activities		**3,526**	**(752)**
Finance income		834	578
Finance costs		(1,766)	(2,047)
Net finance costs		**(932)**	**(1,469)**
Profit/(loss) before income tax		**2,594**	**(2,221)**
Income tax expense	8	(12)	(7)
Profit/(loss) for the period		**2,582**	**(2,228)**
Profit/(loss) attributable to:			
Owners of the Company		2,582	(2,228)
Profit/(loss) for the period		**2,582**	**(2,228)**
Earnings per share			
Basic earnings per share (cents per share)	13	1.919	(0.445)
Diluted earnings per share (cents per share)	13	1.919	(0.445)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of comprehensive income
For the six months ended 31 December 2012

In thousands of USD	31 December 2012	31 December 2011
Profit/(loss) for the period	**2,582**	**(2,228)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	346	(1,072)
Effective portion of changes in fair value of cash flow hedges	-	-
Net change in fair value of available-for-sale financial assets	-	-
Income tax on other comprehensive income	-	-
Total items that may be reclassified subsequently to profit or loss	346	(1,072)
Other comprehensive income for the period, net of income tax	**346**	**(1,072)**
Total comprehensive income for the period	**2,928**	**(3,300)**
Total comprehensive income attributable to:		
Owners of the Company	2,928	(3,300)
Total comprehensive income for the period	**2,928**	**(3,300)**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity

For the six months ended 31 December 2012

In thousands of USD	Note	Share Capital	Share Based Payments Reserve	Fair Value Reserve	Hedging Reserve	Translation Reserve	Accumulated Losses	Total Equity
		Attributable to equity holders of the Company						
Balance at 1 July 2011		491,392	17,893	-	-	(5,402)	(368,255)	135,628
Total comprehensive income for the period								
Profit / (Loss) for the period		-	-	-	-	-	(2,228)	(2,228)
Other comprehensive income								
Foreign currency translation differences		-	-	-	-	(1,072)	-	(1,072)
Total other comprehensive income		-	-	-	-	(1,072)	-	(1,072)
Total comprehensive income for the period		-	-	-	-	(1,072)	(2,228)	(3,300)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Share-based payment transactions	11	-	1,076	-	-	-	-	1,076
Dividends to owners of the Company	12	-	-	-	-	-	(5,504)	(5,504)
Issue of convertible notes, net of tax	10,12	1,482	-	-	-	-	-	1,482
Total transactions with owners		1,482	1,076	-	-	-	(5,504)	(2,946)
S256B transfer of Company accumulated losses to reduce share capital	12	(230,634)	-	-	-	-	230,634	-
Balance at 31 December 2011		**262,240**	**18,969**	**-**	**-**	**(6,474)**	**(145,353)**	**129,382**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity (continued)

For the six months ended 31 December 2012

In thousands of USD	Note	Attributable to equity holders of the Company Share Capital	Share Based Payments Reserve	Fair Value Reserve	Hedging Reserve	Translation Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2012		263,785	17,168	-	-	(6,396)	(142,807)	131,750
Total comprehensive income for the period								
Profit / (Loss) for the period		-	-	-	-	-	2,582	2,582
Other comprehensive income								
Foreign currency translation differences		-	-	-	-	346	-	346
Total other comprehensive income		-	-	-	-	346	-	346
Total comprehensive income for the period		-	-	-	-	346	2,582	2,928
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Share-based payment transactions	11	-	-	-	-	-	-	-
Dividends to owners of the Company	12	-	-	-	-	-	(3,627)	(3,627)
Issue of convertible notes, net of tax	10,12	1,644	-	-	-	-	-	1,644
Total transactions with owners		1,644	-	-	-	-	(3,627)	(1,983)
Balance at 31 December 2012		**265,429**	**17,168**	**-**	**-**	**(6,050)**	**(143,852)**	**132,695**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Consolidated statement of cash flows

For the six months ended 31 December 2012

In thousands of USD	31 December 2012	31 December 2011
Cash flows from operating activities		
Cash receipts from customers	35,133	31,776
Cash paid suppliers and employees	(29,220)	(22,574)
Cash generated from operations	5,913	9,202
Interest received	513	362
Dividends received	-	-
Income taxes paid / (refunded)	(24)	(33)
Net cash from operating activities	**6,402**	**9,531**
Cash flows from investing activities		
Acquisition of plant and equipment	(130)	(170)
Acquisition of intangibles	(750)	-
Proceeds from sale of investments	117	-
Acquisition of investments in financial assets designated at fair value through the profit or loss	(265)	(1,605)
Transfers from long term cash deposits	(5,531)	-
Transfers to long term cash deposits	-	8,178
Acquisition of other non-current assets	2	(133)
Net cash from/(used) in investing activities	**(6,557)**	**6,270**
Cash flows from financing activities		
Interest paid	(461)	(471)
Repayments of borrowings	(1,000)	(1,000)
Finance costs	-	(21)
Dividends paid	(3,627)	(5,504)
Net cash from/(used in) financing activities	**(5,088)**	**(6,996)**
Net increase in cash and cash equivalents	**(5,243)**	**8,805**
Cash and cash equivalents at 1 July	32,736	28,456
Effect of exchange rate fluctuations on cash balances held in foreign currencies	210	(441)
Cash and cash equivalents at 31 December	**27,703**	**36,820**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

HFA Holdings Limited (the 'Company'/'HFA') is a company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the 'Group').

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001 and IAS 34 Interim Financial Reporting.

They do not include all of the information required for full annual financial report, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2012.

The consolidated financial statements of the Group as at and for the year ended 30 June 2012 are available at www.hfaholdings.com.au, or upon request from the Company's registered office at Level 5, 151 Macquarie Street, Sydney NSW 2000.

These condensed consolidated interim financial statements were approved by the Board of Directors on 13 February 2013.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2012.

The interim financial statements for the Group for the period ended 31 December 2012, including comparative information have been presented in USD, unless otherwise indicated as being presented in Australian dollars (AUD).

Presentation of transactions recognised in other comprehensive income

From 1 July 2012 the Group applied amendments to AASB 134 Interim Financial Reporting outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. This change only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss.

4. Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2012.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2012.

6. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, board of directors review internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Australia*. Includes the Australian Certitude business, which acts as the Responsible Entity for Australian based funds, and the Australian service entity Admin Pty Ltd.
- *United States*. Includes the US based Lighthouse Group, which acts as a global absolute return funds manager for US and Cayman Island based funds.

Unallocated / Corporate includes the corporate parent entity, HFA Holdings Limited.

	Australia		United States		Total reportable segments		Unallocated/ Corporate		Elimination		Consolidated	
In thousands of USD	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
External revenue	3,781	5,064	29,851	27,812	33,632	32,876	-	-	-	-	33,632	32,786
Inter-segment revenue	-	-	932	1,170	932	1,170	-	-	(932)	(1,170)	-	-
Reportable segment profit/(loss) before income tax	**(948)**	**(930)**	**5,519**	**1,897**	**4,571**	**967**	**(1,977)**	**(3,188)**	**-**	**-**	**2,594**	**(2,221)**

Segment assets

There has been no material change in the allocation of segment assets compared to the Group's consolidated financial statements as at and for the year ended 30 June 2012.

7. Revenue and expenses

Profit / (loss) before income tax expense includes the following specific revenues and expenses whose disclosure is relevant in explaining the performance of the Group:

in thousands of USD	31 December 2012	31 December 2011
(a) Revenue		
Management fee income	32,568	32,718
Performance fee income	1,064	158
Total revenue	**33,632**	**32,876**
(b) Other income		
Sundry income	1	-
Other income	**1**	**-**
(c) Expenses		
Personnel expenses	(14,664)	(15,950)
Professional fees	(1,502)	(1,182)
Occupancy expenses	(1,012)	(1,022)
Marketing and promotion costs	(75)	(120)
Travel costs	(621)	(520)
Depreciation	(196)	(299)
Amortisation intangible assets	(4,715)	(4,715)
Other expenses	(2,304)	(2,592)
Total expenses	**(25,089)**	**(26,400)**
(d) Equity settled transactions		
Equity settled transactions – Personnel expenses	-	(856)
Equity settled transactions – Marketing and promotion costs	-	(220)
Total equity settled transactions	**-**	**(1,076)**

8. Income tax expense

Reconciliation of effective tax rate

The Group's consolidated effective tax rate for the six months ended 31 December 2012 was 0.4% (for the year ended 30 June 2012: 0.6%; for the six months ended 31 December 2011: 0.3%).

in thousands of USD	31 December 2012	31 December 2011
Profit/(loss) before income tax	2,594	(2,221)
Income tax using the Company's domestic tax rate of 30% (2011: 30%)	(778)	666
Effective tax rates in foreign jurisdictions*	(383)	(173)
Non-deductible expenses	(376)	(479)
Tax benefits not included in accounting profit	18	-
Current year tax losses for which no deferred tax asset is recognised	(4,548)	(1,115)
Changes in unrecognised temporary differences	6,055	1,065
Under / (over) provided in previous periods	-	29
Income tax expense reported in income statement	**(12)**	**(7)**

* The Group's US subsidiaries operate in a tax jurisdiction with higher tax rates.

The following deferred tax assets have not been recognised:

in thousands of USD	31 December 2012	30 June 2012
Deductible temporary differences	192,767	197,132
Tax losses	41,956	37,372
	234,723	**234,504**

Unrecognised deferred tax assets as at 31 December 2012 relate to both the US Group: $144,302 thousand (30 June 2012: $146,334 thousand) and the Australian Group: $90,421 thousand (30 June 2012: $88,170 thousand), and consist of impairment losses recognised in previous financial years, carried forward operating tax losses, carried forward capital tax losses and deductible temporary differences.

The value of unrecognised deferred tax assets is reassessed at each reporting date.

9. Intangible assets

In thousands of USD	31 December 2012	30 June 2012
Goodwill	93,801	93,801
Management rights / customer relationships	27,525	32,113
Trade marks	1,425	1,472
Software	1,250	80
	124,001	**127,466**

Reconciliation of carrying amount

In thousands of USD	31 December 2012	30 June 2012
Cost		
Balance at beginning of period	575,619	575,619
Acquisitions	1,250	-
Balance at end of period	**576,869**	**575,619**
Amortisation and impairment losses		
Balance at beginning of period	(448,153)	(438,723)
Amortisation	(4,715)	(9,430)
Balance at end of period	**(452,868)**	**(448,153)**
Carrying amounts		
Balance at beginning of period	127,466	136,896
Balance at end of period	**124,001**	**127,466**

10. Loans and borrowings

In thousands of USD	31 December 2012	30 June 2012
Current		
Secured Bank Loan	2,000	2,000
Unsecured Convertible Notes	2,546	2,311
	4,546	**4,311**
Non-current		
Secured Bank Loan	23,323	24,323
Unsecured Convertible Notes	18,829	19,464
	42,152	**43,787**
Total loans and borrowings	**46,698**	**48,098**

Current loans and borrowings are the estimated portion of bank loans that are due to be settled within one year under the terms of the current Westpac Cash Advance Facilities Agreement.

The current unsecured convertible notes amount relates to the expected decrease in the carrying value of the convertible notes, using the effective interest rate method.

For details regarding the security and financial undertakings relating to this facility, please refer to the annual financial statements of the Group as at and for the year ended 30 June 2012.

Terms and conditions

			31 December 2012		30 June 2012	
In thousands of USD	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Secured Bank Loan	LIBOR + 3%	2016	25,323	25,323	26,323	26,323
Unsecured Convertible Notes	6%	2019	81,987	21,375	79,580	21,775
Total loans and borrowings			**107,310**	**46,698**	**105,903**	**48,098**

Convertible notes

In thousands of USD	31 December 2012	30 June 2012
Carrying amount at beginning of period	21,775	22,220
Accreted interest (calculated using the effective interest rate method)	1,290	2,668
Interest paid on the face value	(2,453)	(4,666)
Increase in face value due to capitalisation of interest on 7 September 2012	2,407	4,580
Amount classified as equity	(1,644)	(3,027)
Carrying amount of liability at 31 December	**21,375**	**21,775**

10. Loans and borrowings (continued)

The unsecured convertible notes are held by a related party, Apollo Global Management, LLC and its affiliates. Interest of 6% per annum is payable on the convertible notes on a six monthly basis, which will be capitalised by way of an increase in the face value amount of the convertible notes for the first four years. The third interest payment date occurred on 7 September 2012, and resulted in a $2.407 million increase in the face value of the convertible notes. After the first four years, interest may continue to be capitalised, or paid in cash at the Company's discretion. The notes may be subject to additional interest which represents the note holders' participation on an as converted basis in any dividends exceeding $6 million that are paid by the Company in a 12 month period.

The convertible notes mandatorily convert on maturity, being 7 March 2019. However, a noteholder may elect to convert some or all of the convertible notes at any time before they mature. The convertible notes may also be converted by the Company at semi-annual intervals commencing on the fourth anniversary of their issue, provided the volume weighted average sale price of the Shares for the 30 trading days period prior is in excess of 20% greater than the conversion price, or if a change of control event occurs in respect of the majority noteholder. Any default under the terms of the convertible notes does not result in a repayment obligation by the Company. The conversion price is USD 0.9766. The number of shares to be issued is calculated as the principal amount of the convertible notes divided by the conversion price.

11. Share-based payments

In March 2008, the Company established the HFA Employee Performance Rights Plan. Rights issued under the plan entitle employees and related parties to issued shares in the Company based on the achievement of a number of vesting conditions, such as being employed by the Group at relevant vesting dates, and meeting specified performance hurdles.

The following offers made under the terms of this plan are reflected in the Group's financial statements for the six months ended 31 December 2012.

Employee Remuneration

2011 Lighthouse Performance Rights: 4,000,000 rights issued to key management personnel and other senior employees of Lighthouse.

2012 HFA Holdings Performance Rights: 100,000 rights issued to employees of HFA.

2012 Certitude Performance Rights: 880,000 rights issued to employees of Certitude.

Marketing Expense

April 2011 Apollo Performance Rights: 1,000,000 performance rights issued to the Apollo Group as part consideration for the services provided under the terms of the Marketing Agreement entered into between the Apollo Group and Lighthouse Investment Partners, LLC.

Reconciliation of movements in performance rights

	Number of shares
Outstanding at 30 June 2012	5,980,000
31 December 2012	**5,980,000**

Share-based payments expense has been recognised in the profit or loss as follows:

In thousands of USD	31 December 2012	31 December 2011
December 2010 CEO Performance Rights	-	206
December 2010 Lighthouse Performance Rights	-	650
April 2011 Apollo Performance Rights	-	220
Total share-based payment expense	**-**	**1,076**

12. Capital

Convertible notes

On 7 September 2012, interest payable on the convertible notes was capitalised by way of an increase in the face value of the notes (refer note 10). $1,644 thousand of the total $2,407 thousand of capitalised interest was classified as equity in accordance with Australian Accounting Standards (2011: $1,482).

Dividends Paid

The following dividends were paid by the HFA Holdings Limited:

For the six months ended: *In thousands of USD*	31 December 2012	31 December 2011
3 cents (AUD 2.9 cents) per qualifying ordinary share fully franked (2011: 5 cents AUD 4.7 cents)	3,627	5,504

On 19 September 2012, the Company paid a final dividend of USD 3.0 cents per share, fully franked. In addition, the convertible note interest instalment noted in the previous section is treated as a dividend for taxation purposes, and as such was also fully franked in accordance with dividend benchmarking rules.

Interim dividend

The directors have at the date of this report determined an interim dividend of USD 3.0 cents per share which will be fully franked and payable on 29 March 2013.

13. Earnings per share

	31 December 2012	31 December 2011
Basic earnings per share (US cents per share)	1.919	(0.445)
Diluted earnings per share (US cents per share)	1.919	(0.445)

Earnings used in calculating earnings per share

In thousands of USD	31 December 2012	31 December 2011
Profit/(loss) attributable to ordinary equity holder of the Company	2,582	(2,228)
Adjustment for interest on mandatorily convertible notes	1,290[1]	1,357[1]
Profit/(loss) attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	3,872	(871)

Weighted average number of shares

In thousands of shares	31 December 2012	31 December 2011
Issued ordinary shares at 31 December	118,738	118,738
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	201,717	195,933

[1] For the purposes of calculating earnings per share, the mandatorily convertible notes are treated as being converted. Net profit/(loss) is therefore adjusted for interest costs recognised on the convertible notes, as on conversion, the convertible notes would no longer have an impact on profit.

14. Events subsequent to reporting date

Except for the interim dividend referred to in note 12, there has not arisen in the interval between the end of the reporting period and the date of this report, any other item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration
For the six months ended 31 December 2012

In the opinion of the directors of HFA Holdings Limited (the 'Company'):

1. the consolidated interim financial statements and notes set out on pages 8 to 22, are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 14th day of February 2013

Signed in accordance with a resolution of the directors:

Spencer Young Chairperson	**F P (Andy) Esteban** Non-Executive Director

We have reviewed the accompanying half-year financial report of HFA Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2012, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of HFA Holdings Limited is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

KPMG

KPMG

Stephen Board
Partner

Brisbane
14 February 2013