



August 27, 2007
ASX/MEDIA ANNOUNCEMENT

HFA HOLDINGS OUTPERFORMS FULL YEAR GUIDANCE

HIGHLIGHTS – FULL YEAR TO 30 JUNE, 2007

- Record full year Net Profit After Tax (NPAT) of \$20.28 million
- Revenue of \$74.6 million, up 111 per cent
- Assets Under Management (AUM) of \$3.88 billion, up 47.5 per cent
- Funds Under Management (FUM) of \$2.29 billion, up 46.8 per cent
- Successful offerings for HFA Partners Fund and HFA Octane Global Fund and continued growth of HFA Diversified Fund and HFA International Shares Fund
- Reinforced management strength with appointment of new Chief Executive Officer and new Chief Financial Officer

Leading absolute return fund manager HFA Holdings Limited (ASX: HFA) today reported record full year earnings with a Net Profit After Tax (NPAT) for the year to 30 June, 2007, of \$20.28 million which was a further 6.7% increase on previous guidance for full year NPAT.

The NPAT figure is 157% up on earnings from the previous financial year which was normalised for the impact of HFA share plans. NPAT is 46% better than the company's 2007 Prospectus NPAT forecast of \$13.9 million.

The results represent the first full year of trading since HFA completed its \$90 million initial public offering and listed on the Australian Stock Exchange (ASX) in April 2006.

Other results for the year include a 47% increase in Funds Under Management (FUM) to \$2.29 billion and a 48% increase in Assets Under Management (AUM) to \$3.88 billion. The figures are 18% and 9% respectively higher than Prospectus forecasts.

Revenue was up 111% on the previous year to \$74.6 million, contributing to a 175% increase in EBIT (adjusted for the impact of the HFA share plan) to \$29.1 million, up 46% on Prospectus forecasts.

The Board has declared a final 4.0 cps fully franked dividend, resulting in a fully franked dividend for the full year of 8.1 cps, an 80% increase on the prospectus forecasts.

HFA Chief Executive Officer Paul Jensen said the result reflected continued fund inflow to HFA's core absolute return funds coupled with two highly successful structured product capital raisings during the year.

"The growth in AUM and FUM during the year and the subsequent outperformance in earnings were achieved in an increasingly competitive and challenging environment and are testament to the investment integrity of the HFA funds and the strength of HFA's distribution capabilities," he said.

"In our first full year as a listed entity I am happy to report we have truly exceeded all the goals which were created for the company as part of its listing in April last year."

He said the company remained committed to maintaining its leading position in the Australian market by capturing the growth opportunities available, while continuing to manage its expense base. The cost to income ratio of 34.3% is lower than guidance previously provided.



"We will continue to position ourselves for future growth, with a key focus on enhancing our client experience through continued investment in our people and in new technology," he said.

The senior management team was further strengthened during the year, with the;

- Appointment of Paul Jensen as Chief Executive Officer with former CEO Spencer Young becoming a Non-Executive Director.
- Appointment of Rod Hughes as Chief Financial Officer.
- Appointment of Darren Katz as Head of Investments to replace Peter Coates who accepted a secondment to the UK with HFA's investment adviser Lighthouse Investment Partners LLC (Lighthouse).

Mr Jensen, who joined the company in December, thanked Mr Young and Mr Coates for their commitment to HFA throughout this transition period.

"Spencer remains a key part of the HFA business and has provided tremendous support to myself and the Board over this period. Spencer's contribution to bring about the merger with Lighthouse must also be acknowledged." He said. "While he remains closely associated with the business I would also like to acknowledge and thank Peter for his contribution during his time with HFA."

OUTLOOK

Mr Jensen said the outlook for the company remained very positive despite the recent equity market volatility which had impacted the value of the company's shares and the initial timing of a planned merger with Lighthouse.

"As per our previous announcement both HFA and Lighthouse share a common goal and ambition for what becomes globally possible by combining our respective businesses and we are both committed to executing the merger and our expected completion date at this stage remains unchanged," he said.

Mr Jensen said recent upheavals in global stock and credit markets presented an opportunity for HFA to reinforce with investors the benefit of absolute return fund investment strategies.

"The complacency toward risk that has been present in investment markets for sometime has been removed and we are looking forward to maximising this change in investor sentiment to promote the absolute return fund investing and its unique qualities."

"Our current Diversified Investments Fund and International Shares Fund campaign is being very well received by financial advisers and their clients. Both Funds received record gross inflows for July 07."

HFA plans to re-open the HFA Partners Fund and the HFA Octane Global Fund products in the first half of the current financial year to build on client demand and their success in 2007.



HFA Holdings Limited
ACN 101 585 737

INVESTOR PRESENTATION

There will be an Investor Presentation at 2.30pm AEST today 27 August 2007. Those wishing to participate should dial in using the following numbers.

DIAL-IN NUMBERS:

Toll Numbers +61-2-9324-3509

Toll Free Number (for within Australia) 1-800-554-395

For security reasons, the passcode and the leader's name will be required to join your call.

Leader: Robert White

Passcode: 738760

ENDS

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HFA Holdings Limited

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