



Spencer Young
Chief Executive Officer
HFA Holdings Limited

Half Year 2010 Results Presentation

23 February, 2010

New York Chicago Florida London Hong Kong Brisbane Sydney Melbourne

Disclaimer

This presentation has been prepared by HFA Holdings Limited (**HFA**) and is supplied on the following accepted and agreed to by each interested party (**Recipient**).

The information in this presentation is not financial product advice and has been prepared without taking into account the objectives, financial situation or needs of any particular person.

This presentation is being provided to the Recipient as a person to whom a disclosure document is not required to be given under chapter 6D of the Corporations Act 2001, and in receiving a copy of this presentation the Recipient warrants that it is such a person. This presentation does not purport to contain all of the information that may be required to evaluate HFA and the Recipient should conduct their own independent review, investigations and analysis of HFA and of the information contained or referred to in this presentation.

None of HFA or their representatives and their respective employees or officers (collectively, the **Beneficiaries**) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation or subsequently provided to the Recipient or its advisers by any of the Beneficiaries, including, without limitation, any historical financial information, the estimates and projections and any other financial information derived there from, and nothing contained in this presentation is, or shall be relied upon, as a promise or representation, whether as to the past or the future. **Past performance is not a reliable indicator of future performance.** The information in this presentation has not been the subject of complete due diligence nor has all such information been the subject of proper verification by the Beneficiaries.

The information in this presentation is **not personal financial product advice** and has been prepared without taking into account the objectives, financial situation or needs of any particular person. Before making an investment decision to invest or continue to hold investments in any of the HFA Group Funds, you should obtain, read and consider the respective Offering Documentation, as supplemented by a supplementary Product Disclosure Statement where applicable, (collectively PDS), issued by HFAAM or Lighthouse Partners.

Except insofar as liability under any law cannot be excluded, the Beneficiaries shall have no responsibility arising in respect of the information contained in this presentation or subsequently provided by them or in any other way for errors or omissions (including responsibility to any person by reason of negligence).



REVIEW OF RESULTS

as at 31 December 2009

Highlights

FY2010 interim results reflect full impact of the reduction in AUM due to the GFC

**EBITDA
(before equity
settled transactions)
\$13.8m**

- Result reflects decrease in AUM, in particular from the de-leveraging of HFAAM products. De-leveraging of HFAAM products is now largely complete.

**EBITDA
(after equity settled
transactions)
\$11.4m**

- Equity settled transactions represents \$2.5m (2009: \$12.4m) of shares to employees under the Australian Performance Rights Plan and bonuses to key Lighthouse staff.
- No additional equity settled transactions are expected in the second half of FY2010.

**Cashflow from
operating activities
\$19.8m**

Net debt position

**The company
continues to reduce
its debt facility**

- Following a USD8.3m payment, the Group's net debt position was AUD96m as at 31 January 2010.

Financial Results

\$'000	31 December 2009	31 December 2008	% Change
Revenue	36,443	65,588	-44%
Investment management costs	(5,277)	(9,667)	+45%
Operating income	31,166	55,921	-44%
Foreign exchange gain/(loss) on operating activities	(144)	1,147	-
Operating expenses, net of other income ¹	(17,193)	(21,699)	+21%
Operating EBITDA (before equity settled transactions)	13,829	35,369	-60%
Equity settled transaction expenses ²	(2,457)	(13,361)	+82%
Operating EBITDA (after equity settled transactions)	11,372	22,008	-48%
Depreciation and amortisation	(6,090)	(7,530)	+19%
Impairment losses	-	(596,569)	-
Net interest income / (expenses)	(3,140)	(2,769)	-13%
Profit/(loss) before income tax	2,142	(584,860)	-
Income tax benefit / (expense)	(1,149)	14,586	-
Net profit /(loss) after income tax	993	(570,274)	-
Basic EPS (cents)	0.216	(124.085)	-

1. Operating expenses, net of other income and FX gain / (loss) on operating activities.
2. Non-cash equity settled transactions.

Note: Financial results for the year ended 30 June 2009 include the first full year contribution from the Lighthouse Group which was acquired on 3 January 2008.

AUM & FUM

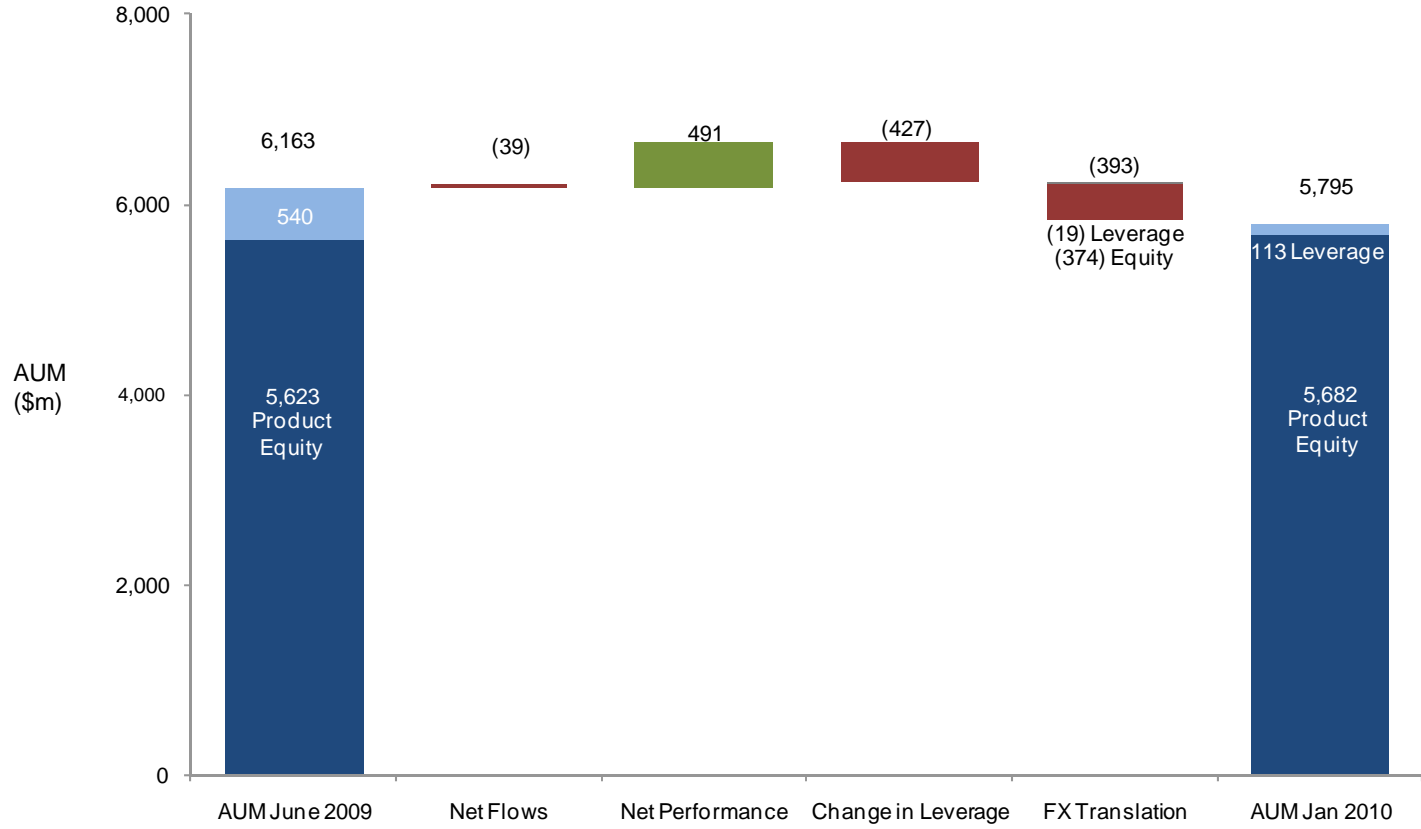
\$M	HFA Asset Management		Lighthouse Partners		HFA Holdings		
	31-Dec-09	30-Jun-09	31-Dec-09	30-Jun-09	31-Dec-09	30-Jun-09	% Change
Funds Under Management	1,517	1,585	4,028	4,038	5,545	5,623	(1%)
Assets Under Management	1,630	2,125	4,028	4,038	5,658	6,163	(8%)

AUM & FUM - Analysis

- AUM as at 31 December 2009 of AUD5.7bn**
- Decrease in AUM has been primarily due to the continuing deleveraging of the HFAAM products during the half-year. As at 31 December 2009, only AUD113m of leverage remains in the HFAAM products.
 - In US dollar terms, Lighthouse has experienced a 10% growth in AUM for the half-year due to strong performance of its core products and an overall positive net inflow for the half. AUM appears flat in Australian dollar terms as this growth has been off-set by the higher Australian dollar compared to 30 June 2009.
- Fund flows**
- Lighthouse fund flows for H1 2010 are positive AUD30m, with 5 of the 6 months of this first half recording net inflows.
 - HFAAM fund flows have been negative, primarily driven by the withdrawal windows offered by the HFA Diversified Investments Fund.

AUM & FUM

Group AUM Movement (AUD)
30 June 2009 to 31 January 2010

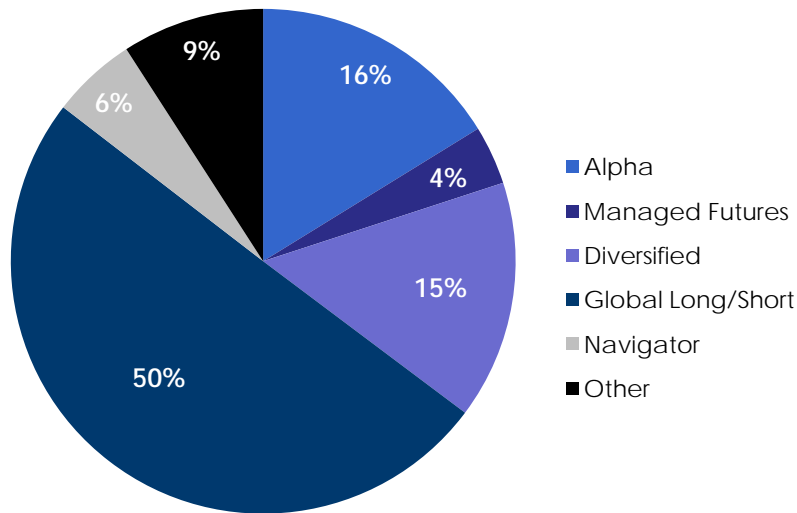


Lighthouse – Strong Fund Flows

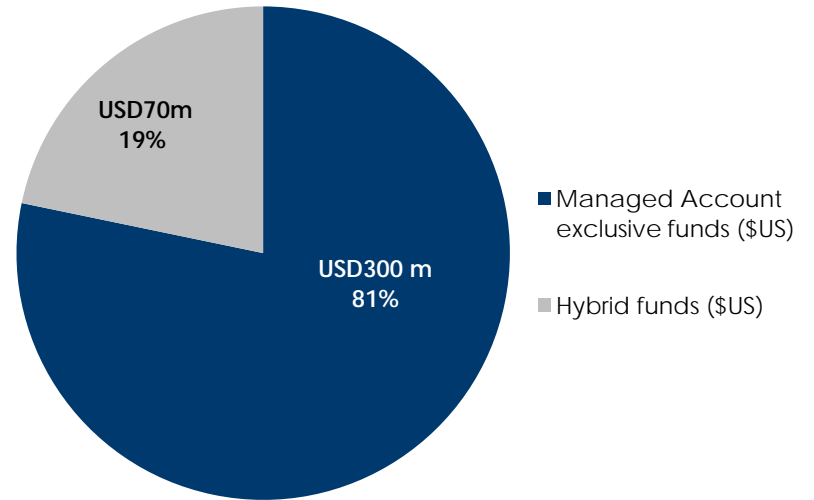
AUM & FUM - Analysis

- Strong fund flows for first seven months**
 - Total investment inflows for the seven months was USD370 million
 - Global Long/Short fund continues to generate the majority of flows with seven month total of USD146 million
- Strong shift towards Managed Accounts**
 - Total inflows for funds fully utilising the Managed Account Platform was USD286 million

Inflows (\$) by Fund



Inflows by Type





FUND PERFORMANCE

as at 31 January 2010

Lighthouse Partners - Product Performance

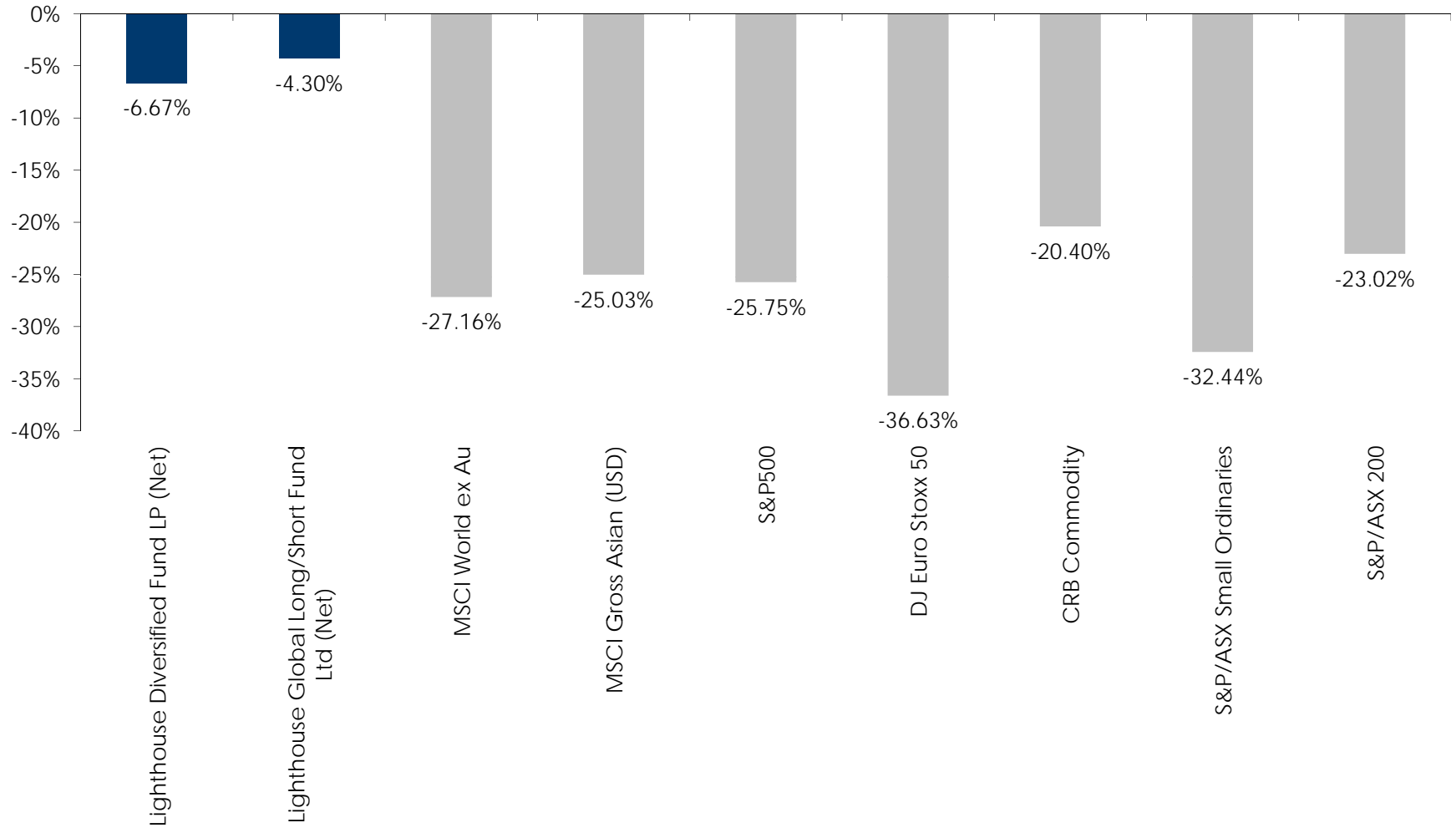
Comparative Fund Returns to 31 January, 2010

	LHP Diversified Fund LP (Net) ¹	LHP Global Long Short Fund Ltd (Net) ²	MSCI World Ex Au (USD)	MSCI Gross Asian (USD)	S&P/ASX 200	S&P 500 (USD)
1 Month	0.00%	0.03%	-4.00%	-2.15%	-6.18%	-3.60%
3 Months	1.37%	1.18%	1.85%	1.17%	-0.93%	4.16%
6 Months	5.96%	3.20%	7.89%	3.32%	9.83%	9.87%
12 Months	15.10%	9.88%	35.96%	37.77%	35.16%	33.14%
2 Years p.a.	-3.80%	-0.99%	-10.20%	-7.88%	-5.78%	-9.61%
3 Years p.a.	-0.29%	1.53%	-7.07%	-4.67%	-3.37%	-7.24%
4 Years p.a.	2.55%	4.15%	-1.63%	-1.51%	2.47%	-2.22%
5 Years p.a.	4.06%	5.88%	1.92%	4.72%	6.69%	0.18%
Inception p.a. ³	8.78%	6.53%	Since inception returns are different for various funds			
Inception Total ¹	211.50%	46.91%				

1. Returns to 31 January, 2010, are estimates only for the LHP Diversified Fund.
 2. Returns to 31 January, 2010, are final for the LHP Global Long Short Fund.
 3. LHP Diversified Fund LP inception being August 1996. LHP Global Long Short Fund Ltd inception being January 2004.
- Source: Lighthouse, MSCI and Bloomberg. Past performance is not an indicator of future performance.

Strong Relative Outperformance for Lighthouse Funds

Returns from October 2007 to January 2010*



* Returns to 31 January, 2010, are estimates only for the LHP Diversified Fund. Returns to 31 January, 2010, are final for the LHP Global Long Short Fund. SOURCE: Lighthouse, MSCI and Bloomberg. Past performance is not an indicator of future performance.

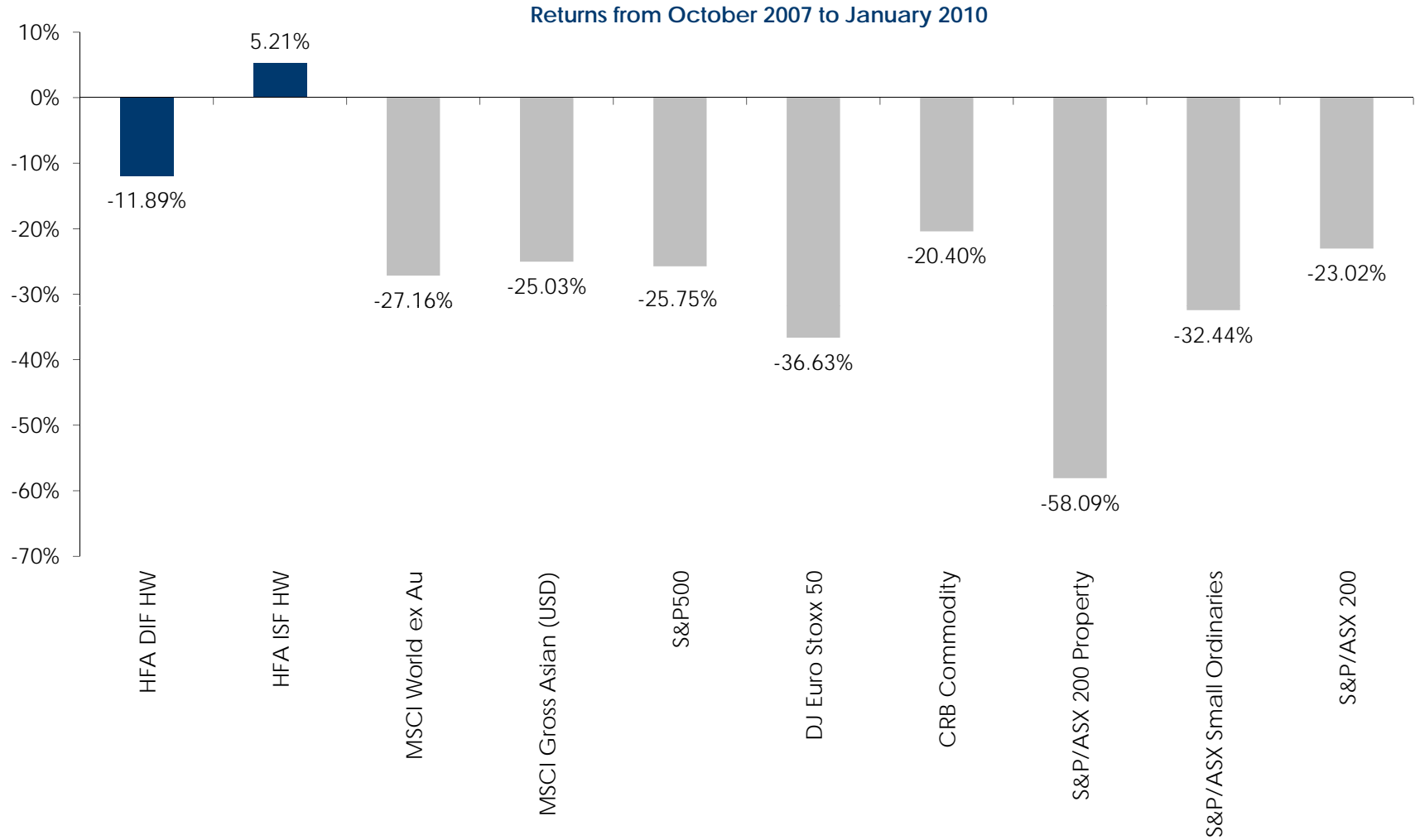
HFA Asset Management - Product Performance

Comparative Fund Returns to 31 January, 2010

	HFA Diversified Investments Fund (Net)	HFA International Shares Fund (Net)	MSCI World Ex Au (USD)	MSCI Gross Asian (USD)	S&P/ASX 200	S&P 500 (USD)
1 Month	0.59%	0.41%	-4.00%	-2.15%	-6.18%	-3.60%
3 Months	2.35%	1.64%	1.85%	1.17%	-0.93%	4.16%
6 Months	7.03%	3.91%	7.89%	3.32%	9.83%	9.87%
12 Months	11.90%	7.99%	35.96%	37.77%	35.16%	33.14%
2 Years p.a.	-6.40%	3.07%	-10.20%	-7.88%	-5.78%	-9.61%
3 Years p.a.	-2.86%	3.88%	-7.07%	-4.67%	-3.37%	-7.24%
4 Years p.a.	0.02%	5.63%	-1.63%	-1.51%	2.47%	-2.22%
5 Years p.a.	2.16%	6.97%	1.92%	4.72%	6.69%	0.18%
Inception p.a. ¹	4.30%	5.85%	Since inception returns are different for various funds			
Inception Total ¹	45.07%	65.27%				

¹HFA Diversified Investments Fund inception being April 2001. HFA International Shares Fund inception being January 2004.
 Source: HFA Asset Management, MSCI and Bloomberg
 Past performance is not an indicator of future performance.

Strong Relative Performance for Australian Investors





OUTLOOK

Outlook

Markets are returning to more normal levels of functionality and performance

Lighthouse • Lighthouse has seen good inflows in the beginning of the second half of the 2010 financial year. The positive acceptance of the Managed Account Platform is showing results in receiving new monies, and Lighthouse expects to continue to have success in attracting new mandates.

HFA • HFA Asset Management is launching two new funds in the short term as part of its strategy to broaden its investor base and provide a platform for future growth

Investment Performance • Throughout the first half of this financial year the Group's products have delivered strong risk-adjusted investment returns.
• Competition has reduced with the on-going rationalisation of fund manager competitors. We see this as providing good opportunities to continue to generate or improve our current returns.

AUM & FUM • We have seen an increase in investor appetite in the US in the absolute return fund space. We expect net fund flows for Lighthouse to continue to be positive, resulting in a stabilised asset base for the business.
• The rollout of the Managed Account Platform is complete, with the platform integrated into Lighthouse's existing product offerings.

Full year earnings guidance • HFA Holdings expects to report an EBTIDA for FY2010 of between \$19.0m and \$23.5m.



HFA HOLDINGS LIMITED
ABN: 47 101 585 737

Level 5, 151 Macquarie Street
Sydney NSW 2000

Telephone: (02) 8302 3333

Facsimilie: (02) 9252 4580

E-mail: info@hfaholdings.com.au

Website: www.hfaholdings.com.au

New York Chicago Florida London Hong Kong Brisbane Sydney Melbourne