



HFA Holdings Limited
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16 April, 2010

Kate Kidson
Principal Adviser, Issuers
Australian Securities Exchange
Level 45, South Tower
Stock Exchange Centre
525 Collins Street
Melbourne VIC 3000

By email: kate.kidson@asx.com.au

Dear Ms Kidson,

HFA Holdings Limited Response to Price Query

We refer to your letter dated 15 April, 2010 requesting a response to certain questions, and provide the following responses:

1. **Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?**

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

The Company is exploring corporate initiatives, consistent with its stated strategic objectives.

2. **If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

At this point in time, the Company has not entered into any negotiations. The Company has nothing to announce, but if a development occurs which is sufficiently certain to warrant disclosure we will make an immediate announcement at that time.

3. **Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the year ended 30 June 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.**

As advised in the Company's Half Year Results Presentation released to the market on 23 February, 2010, the Board of Directors expects HFA to achieve full year EBITDA of between \$19 million and \$23.5 million. This compares to EBITDA of \$40.3 million (which excludes the \$599.5 million impairment loss) for the year ended 30 June, 2009.

4. **Is there any reason to think that the Company may record any material abnormal or extraordinary item for the financial year ended 30 June 2010? If so please provide details.**

Other than the equity settled transactions recognised in the 31 December 2009 Interim Financial Report, the Company does not expect to record any additional material abnormal or extraordinary items for the year ended 30 June 2010.

5. **Is there any other explanation that the Company may have for the price change in the securities of the Company?**

The Company is aware of recent positive media and industry commentary regarding the Hedge Fund Industry. The Company has been referenced in such articles.

The Company is also aware that at least one analyst who monitors the Company's stock has a "buy" recommendation in place, and that the price target provided by that analyst is approximately 50% above the Company's current share price.

6. **Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

We confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely



Jo Hill
Company Secretary



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15 April 2010

Mr Robert White
Company Secretary
HFA Holdings Limited
Level 5
151 Macquarie Street
Sydney NSW 2000

By email only

Dear Robert

HFA Holdings Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a low of 20 cents on 9 April 2010 cents to a high of 25.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the financial year ending 30 June 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the financial year ending 30 June 2010? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at kate.kidson@asx.com.au or by facsimile on **facsimile number 03 9614 0303**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **9.30 am** on Friday, 16 April 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.

- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Sent by electronic means without signature

Kate Kidson
Principal Adviser, Issuers

