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**Appendix 4D  
Preliminary Half Year Report  
31 December 2012**

**Lodged with the ASX under Listing Rule 4.2A on 21 February 2013**

**Reporting Period**

This report covers the half year period from 1 July 2012 to 31 December 2012. The previous corresponding period was the half year from 1 July 2011 to 31 December 2011.

## Results for announcement to market

### Discussion and analysis of statutory results

#### Operational results

For the half-year to 31 December 2012, both Mortgage Choice's stand alone residential approvals and settlements have increased 1% compared to the prior six month period to 30 June 2012. As compared to the half-year to December 2011, volumes were level for approvals and have increased 2% for settlements.

		<b>6 mths to 30-Jun-11</b>	<b>6 mths to 31-Dec-11</b>	<b>6 mths to 30-Jun-12</b>	<b>6 mths to 31-Dec-12</b>
Loans approved	(\$m)	4,549	5,106	5,038	5,093
Growth		-9%	12%	-1%	1%
Loans settled	(\$m)	3,991	4,338	4,387	4,430
Growth		-8%	9%	1%	1%

The Group's loan book balance continued to grow. At 31 December 2012, the balance was \$46.3 billion, including LoanKit and other non-core loans. Mortgage Choice's stand alone residential loan book increased to \$44.1 billion, a 1.9% increase on the 30 June 2012 balance of \$43.3 billion and a 4.7% increase on the 31 December 2011 balance of \$42.1 billion.

#### Financial results

The higher underlying revenue for the half-year to 31 December 2012, as compared to the prior six months to 30 June 2012, is primarily due to increased commission revenue and revenue from diversified products, other income and new initiatives. The underlying revenue for the current period is also higher than that of the six months to 31 December 2011, due to an increase in settlements and an increase in revenue from diversified products and new initiatives. The underlying result before tax for the current period has decreased as compared to the six months to 30 June 2012 as the increase in revenue is offset by an increase in operating expenses relating to new initiatives. The underlying result for the current period before tax as compared to the six months to 31 December 2011 has increased due to the increase in revenue and a decrease in operating expenses. The decrease in operating expenses relates to the timing of advertising campaigns in the first half of the previous year.

At 30 June 2012, the Company performed a full actuarial review of the loan book and the assumptions used to estimate future trailing commission. At 31 December 2012, the Company reviewed actual results against those assumptions and determined that the level of "run off" incorporated in the model to calculate income from future trailing commissions approximated the run-off experienced over the period and no adjustment is required. Again at 30 June 2013, a full actuarial review will be completed and the assumptions used to estimate future trailing commission will be reviewed in full and any adjustments arising from that review will be booked at that time.

The following summarises the results of the Group for the six months to 31 December 2012 and the two prior periods:

	6 months to 31-Dec-11	6 months to 30-Jun-12	6 months to 31-Dec-12	% change Dec 11 - Dec 12
<b>Financial Summary</b>	\$000's	\$000's	\$000's	
Underlying revenue	71,848	70,149	74,180	
Adjustment to loan book assumptions	-	15,051	-	
<b>Total revenue from ordinary activities</b>	<b>71,848</b>	<b>85,200</b>	<b>74,187</b>	<b>3.3%</b>
Underlying result before tax	9,349	11,452	10,813	
Adjustment to loan book assumptions	-	5,875	-	
<b>Total result before tax</b>	<b>9,349</b>	<b>17,327</b>	<b>10,813</b>	<b>15.7%</b>
<b>Profit from ordinary activities after tax attributable to members</b>	<b>6,440</b>	<b>12,015</b>	<b>7,514</b>	<b>16.7%</b>
<b>Net tangible asset backing per ordinary share</b>	<b>71.7 cents</b>	<b>77.8 cents</b>	<b>74.9 cents</b>	<b>4.5%</b>

## Dividends

Details of dividends/distributions declared or paid during the twelve months ended 31 December 2012 are as follows:

Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
17 September 2012	Final	7.0 cents	\$8,468,000	7.0 cents	-
19 March 2012	Interim	6.0 cents	\$7,219,000	6.0 cents	-

Subsequent to 31 December 2012, a fully franked interim dividend of 6.0 cents was declared on 21 February 2013. This is the same as the interim dividend of 6.0 cents in the prior comparable period, and it is expected to be paid on 19 March 2013. The record date for determining entitlement to this dividend will be 4 March 2013.

## Non IFRS Cash Results

The Company also presents its non IFRS cash results which are up 20% after tax on the prior comparative period. This increase is due to higher settlements, increased revenue from diversified products and new initiatives and a decrease in operating expenses.