

APPENDIX 4D

HALF-YEAR REPORT

1. Company details

Name of entity:	Amazing Loans Limited
ABN:	68 112 725 756
Reporting period:	Half-year ended 31 December 2008
Previous corresponding period:	Half-year ended 31 December 2007

2. Results for announcement to the market

Revenues from operating activities	up	667.9%	to	\$ 5,552,000
Profit from ordinary activities after tax attributable to members	down		to	\$(21,042,000)
Profit for the period attributable to members	down		to	\$(21,042,000)

Due to the reverse acquisition of Amazing Loans Limited (the legal parent) by Investment Evolution Global Pty Limited (the legal subsidiary), as described in note 1 of the 31 December 2008 Interim Report, current and previous period's revenue and profit are not comparable.

Dividends

	Amount per security	Franked amount per security
Unfranked redeemable preference share dividend paid on 10 July 2008	3.750 cents	0.000 cents
Unfranked redeemable preference share dividend paid on 2 October 2008	3.750 cents	0.000 cents

No dividends were paid or declared on ordinary shares during the half-year ended 31 December 2008.

Comments

The loss for the financial half-year ended 31 December 2008 for the consolidated entity after providing for income tax and minority interests amounted to \$21,042,000, which includes expenses of \$17,386,000 due to share-based payments (including Fortress related non-cash payments of \$16,664,000), impairment of plant and equipment, loss on sale of plant and equipment and loss on sale of intangibles. In the same period the consolidated entity had operating cash inflows of \$440,000, which is largely attributable to loan principal repaid of \$4,490,000. To manage its cash flows, management has taken steps during the financial half-year to tighten its lending guidelines and reduce expenditure by announcing the closure of 37 underperforming branches during the financial half-year ended 31 December 2008 and 3 branches on 23 January 2009.

Due to the reverse acquisition between Amazing Loans Limited and Investment Evolution Global Pty Limited that occurred on 31 March 2008, the comparative financial period for the income statement is from 11 July 2007 (date of incorporation of Investment Evolution Global Pty Limited, the legal subsidiary) to 31 December 2007 and only reflects Investment Evolution Global Pty Limited as it had no subsidiaries during this period.

During the financial half-year ended 31 December 2008, the consolidated entity reduced its interest bearing loan of \$15,100,000 from Fortress by \$8,200,000 to \$6,900,000. As at 27 February 2009, the drawn down amount had reduced further to \$5,400,000. The consolidated entity is focused on repaying this balance fully in the shortest possible time and it is anticipated, based on current cash flow forecasting, that this will occur by October 2009.

On 1 July 2008 IEG Holdings Limited was established as a subsidiary of Amazing Loans Limited. It was subsequently disposed of on 28 August 2008 for a nominal amount. IEG Holdings Limited did not trade during the period from 1 July 2008 to 28 August 2008 and it had no assets or liabilities as at its disposal date.

On 24 July 2008 the Board of Directors entered into an agreement to dispose of its 49.82% investment in First Rock Financial Pty Limited and its controlled entities for \$1,120,000. The sale was subject to the approval of the other shareholders in First Rock Financial Pty Limited. The approval was received and the sale was completed on 23 October 2008.

On 28 August 2008 the Company completed the sale of the international rights for the Amazing Loans franchising rights. The company received net proceeds of \$417,000 as consideration for the sale. Associated with the sale the lease and leasehold improvements of the Hawaii premises were transferred to IEG Holdings Limited for \$nil consideration.

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	0.35 cents	N/A cents

Due to the reverse acquisition of Amazing Loans Limited (the legal parent) by Investment Evolution Global Pty Limited (the legal subsidiary), as described in note 1 of the 31 December 2008 Interim Report, the previous period's "Net tangible asset backing per ordinary security" has not been shown.

4. Control gained over entities

Name of entities (or group of entities)	N/A	
Date control gained		
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$ -
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)		\$ -

5. Loss of control over entities

Name of entities (or group of entities)	IEG Holdings Limited, First Rock Financial Pty Limited and FirstRock Mortgage Centre Pty Limited (subsidiary of First Rock Financial Pty Limited)	
Date control lost	28 August 2008 (IEG Holdings) and 23 October 2008 (FirstRock)	
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$(94,000)
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

6. Dividends

	Amount per security	Franked amount per security
<i>Current period</i>		
Unfranked redeemable preference share dividend paid on 10 July 2008	3.750 cents	0.000 cents
Unfranked redeemable preference share dividend paid on 2 October 2008	3.750 cents	0.000 cents

No dividends were paid or declared on ordinary shares during the half-year ended 31 December 2008.

Previous corresponding period

Due to the reverse acquisition of Amazing Loans Limited (the legal parent) by Investment Evolution Global Pty Limited (the legal subsidiary), as described in note 1 of the 31 December 2008 Interim Report, the previous period's dividends for Amazing Loans Limited have not been shown. Investment Evolution Global Pty Limited did not pay any dividends during the period from 11 July 2007 to 31 December 2007.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans: N/A

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to net profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
N/A				
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit(loss) from operating activities before income tax				
Income tax on operating activities				

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

N/A

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report for the half-year ended 31 December 2008 for Amazing Loans Limited is attached.

12. Signed

Signed: 

Date: 27 February 2009

Daniel Livingston
Director and Non-Executive Chairman
Sydney

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Amazing Loans Limited

ABN 68 112 725 756

Interim Report for the half-year ended 31 December 2008

Amazing Loans Limited
Directors' report
31 December 2008

The directors present their report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Amazing Loans Limited and the entities it controlled for the half-year ended 31 December 2008.

Directors

The following persons were directors of Amazing Loans Limited during the financial half-year and up to the date of this report:

Daniel Livingston
William Lazaro (appointed on 27 October 2008)
Andrew Tran (appointed on 21 November 2008)
Mark Ohlsson (appointed on 1 August 2008 and resigned on 21 November 2008)
Bryce Hoare (resigned on 27 October 2008)
Bradley Hollingsworth (resigned on 1 August 2008)

Principal activities

During the financial half-year the principal activity of the consolidated entity consisted of the provision of personal loans to the value of \$20,000.

During the financial half-year the consolidated entity disposed of First Rock Financial Pty Limited and its controlled entities whose activity was Brokerage for Residential Mortgages.

Review of operations

The loss for the financial half-year ended 31 December 2008 for the consolidated entity after providing for income tax and minority interests amounted to \$21,042,000, which includes expenses of \$17,386,000 due to share-based payments (including Fortress related non-cash payments of \$16,664,000), impairment of plant and equipment, loss on sale of plant and equipment and loss on sale of intangibles. In the same period the consolidated entity had operating cash inflows of \$440,000, which is largely attributable to loan principal repaid of \$4,490,000. To manage its cash flows, management has taken steps during the financial half-year to tighten its lending guidelines and reduce expenditure by announcing the closure of 37 underperforming branches during the financial half-year ended 31 December 2008 and 3 branches on 23 January 2009.

Due to the reverse acquisition between Amazing Loans Limited and Investment Evolution Global Pty Limited that occurred on 31 March 2008, the comparative financial period for the income statement is from 11 July 2007 (date of incorporation of Investment Evolution Global Pty Limited, the legal subsidiary) to 31 December 2007 and only reflects Investment Evolution Global Pty Limited as it had no subsidiaries during this period.

During the financial half-year ended 31 December 2008, the consolidated entity reduced its interest bearing loan of \$15,100,000 from Fortress by \$8,200,000 to \$6,900,000. As at 27 February 2009, the drawn down amount had reduced further to \$5,400,000. The consolidated entity is focused on repaying this balance fully in the shortest possible time and it is anticipated, based on current cash flow forecasting, that this will occur by October 2009.

On 1 July 2008 IEG Holdings Limited was established as a subsidiary of Amazing Loans Limited. It was subsequently disposed of on 28 August 2008 for a nominal amount. IEG Holdings Limited did not trade during the period from 1 July 2008 to 28 August 2008 and it had no assets or liabilities as at its disposal date. IEG Holdings Limited was a director and significant shareholder related entity to Amazing Loans Limited.

On 24 July 2008 the Board of Directors entered into an agreement to dispose of its 49.82% investment in First Rock Financial Pty Limited and its controlled entities for \$1,120,000. The sale was subject to the approval of the other shareholders in First Rock Financial Pty Limited. The approval was received and the sale was completed on 23 October 2008.

On 28 August 2008 the Company completed the sale of the international rights for the Amazing Loans franchising rights. The company received net proceeds of \$417,000 as consideration for the sale. Associated with the sale the lease and leasehold improvements of the Hawaii premises were transferred to IEG Holdings Limited for \$nil consideration.

Amazing Loans Limited
Directors' report
31 December 2008

Significant changes in the state of affairs

On 28 July 2008 555,900,000 ordinary shares at 3.2 cents each totalling \$17,789,000 were issued to Fortress Credit Corporation (Australia) II Pty Limited for no cash consideration.

On 28 August 2008 the company conducted a placement of 300 million AZD shares at \$0.01 per share to Fenwick Corporation Pty Limited raising \$3 million in extra equity capital. On 30 September 2008 AZD conducted a further placement of 200 million AZD shares at \$0.01 per share to Fenwick Corporation Pty Limited to raise an additional \$2 million in extra equity capital.

Matters subsequent to the end of the financial half-year

On 12 January 2009 the Company was informed by Fortress that the Company had breached three covenants of the facility agreements.

- three months old rolling average Default Ratio exceeded 13% on 16 December 2008
- failure to provide certified and audited unconsolidated and consolidated Annual Accounts within 90 days of its annual balance date
- the listed securities of AZD were suspended from ASX trading for a consecutive period or more than 5 days

On 12 January 2009 Fortress issued an "Events of Review" notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

On 14 January 2009 the Company was informed by Fortress that the Company had breached two covenants of the facility agreements.

- excess spread of eligible seasoned receivables exceeded -13% on 16 December 2008
- eligible all rate receivables exceeded 15% on 16 December 2008

On 6 February 2009 the Company was informed by Fortress that the Company had breached two covenants of the facility agreements.

- excess spread of eligible seasoned receivables exceeded -13% on 23 January 2009
- eligible all rate receivables exceeded 15% on 23 January 2009

On 6 February 2009 Fortress issued an "Events of Review" notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

As part of Fortress' monthly reviews, on 12 January 2009, 14 January 2009 and 6 February 2009 Fortress confirmed that they had waived the rights afforded to them under the facility agreement for the breaches and Events of Review.

On 23 January 2009 the Company closed a further 3 branches, leaving 8 branches open across 4 capital cities of Australia.

On 2 February 2009 the Company issued its Target Statement in response to the takeover bid from IEG Holdings Limited. On 26 February 2009 the Company received notification from IEG Holdings Limited that it held 86.53% of Amazing Loans Limited's ordinary shares.

Apart from the matters discussed above, no other matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect the consolidated entity operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this interim report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any environment regulation under Commonwealth or State law.

Amazing Loans Limited
Directors' report
31 December 2008

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

This report is made in accordance with a resolution of directors.

On behalf of the directors

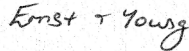


Daniel Livingston
Director and Non-Executive Chairman

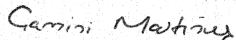
Dated this 27th day of February 2009
Sydney

Auditor's Independence Declaration to the Directors of Amazing Loans Limited

In relation to our review of the financial report of Amazing Loans Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Gamini Martinus
Partner
Date: 27 February 2009

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Amazing Loans Limited
Financial report
For the half-year ended 31 December 2008

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General information

This financial report covers Amazing Loans Limited as a consolidated entity consisting of Amazing Loans Limited and its subsidiaries. The financial report is presented in Australian currency.

Amazing Loans Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

265A Macquarie Street
Liverpool NSW 2170

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 27 February 2009.

Amazing Loans Limited
Income statement
For the half-year ended 31 December 2008

	Note	Consolidated Half-year	
		2008 \$'000	2007 \$'000
Revenue from continuing operating activities	3	5,552	723
Expenses			
Administrative expenses		(1,512)	(92)
Bad debt		(2,329)	-
Depreciation and amortisation expenses		(579)	-
Marketing expenses		(112)	-
Occupancy expenses		(1,172)	(26)
Share-based payments expenses	4,11	(16,361)	-
Staff expenses		(2,530)	-
Travel expenses		(45)	(80)
Impairment of property, plant and equipment		(123)	-
Loss on sale of property, plant and equipment		(499)	-
Loss on sale of intangibles		(82)	-
Finance costs		(1,933)	-
Profit/(loss) before income tax expense		(21,725)	525
Income tax expense		-	-
Profit/(loss) after income tax expense from continuing operations		(21,725)	525
Profit after income tax expense from discontinued operations	5	636	-
Profit/(loss) after income tax expense		(21,089)	525
Loss attributable to minority interest		47	-
Profit/(loss) after income tax expense attributable to members of Amazing Loans Limited		<u>(21,042)</u>	<u>525</u>
		Cents	Cents
Earnings per share from continuing operations attributable to members of the company			
Basic earnings per share		(0.56)	-
Diluted earnings per share		(0.56)	-
Earnings per share for profit attributable to members of the company			
Basic earnings per share		(0.54)	-
Diluted earnings per share		(0.54)	-

The above income statement should be read in conjunction with the accompanying notes

Amazing Loans Limited
Balance sheet
As at 31 December 2008

	Note	Consolidated	
		31 December 2008 \$'000	30 June 2008 \$'000
Current assets			
Cash and cash equivalents		1,504	2,557
Trade and other receivables		6,754	5,905
Other		101	217
		<u>8,359</u>	<u>8,679</u>
Non-current assets classified as held for sale		-	2,729
Total current assets		<u>8,359</u>	<u>11,408</u>
Non-current assets			
Receivables		12,845	19,344
Property, plant and equipment		1,383	2,644
Other		383	404
Total non-current assets		<u>14,611</u>	<u>22,392</u>
Total assets		<u>22,970</u>	<u>33,800</u>
Current liabilities			
Trade and other payables		1,647	2,845
Borrowings	6	4,998	-
Income tax		553	630
Provisions		97	209
		<u>7,295</u>	<u>3,684</u>
Liabilities directly associated with assets classified as held for sale		-	250
Total current liabilities		<u>7,295</u>	<u>3,934</u>
Non-current liabilities			
Borrowings	7	932	15,088
Provisions		258	500
Total non-current liabilities		<u>1,190</u>	<u>15,588</u>
Total liabilities		<u>8,485</u>	<u>19,522</u>
Net assets		<u>14,485</u>	<u>14,278</u>
Equity			
Contributed equity	8	159,690	136,901
Reserved shares		(2,626)	(2,626)
Reserves		18	-
Accumulated losses		(142,597)	(121,555)
Parent entity interest		14,485	12,720
Minority interest		-	1,558
Total equity		<u>14,485</u>	<u>14,278</u>

The above balance sheet should be read in conjunction with the accompanying notes

Amazing Loans Limited
Statement of changes in equity
For the half-year ended 31 December 2008

	Contributed equity \$'000	Reserved shares \$'000	Reserves \$'000	Retained profits \$'000	Minority interest \$'000	Total equity \$'000
Consolidated						
Balance 11 July 2007	-	-	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-	-	-
Profit/(loss) after income tax	-	-	-	525	-	525
Total recognised income/(expense) for the half-year	-	-	-	525	-	525
Investment Evolution Global Pty Ltd shares issued	32,856	-	-	-	-	32,856
Share issue transaction costs	(1,312)	-	-	-	-	(1,312)
Balance 31 December 2007	31,544	-	-	525	-	32,069
	Contributed equity \$'000	Reserved shares \$'000	Reserves \$'000	Accumulated losses \$'000	Minority interest \$'000	Total equity \$'000
Consolidated						
Balance 1 July 2008	136,901	(2,626)	-	(121,555)	1,558	14,278
Share-based payments	-	-	18	-	-	18
Net income/(expense) recognised directly in equity	-	-	18	-	-	18
Profit/(loss) after income tax	-	-	-	(21,042)	(47)	(21,089)
Total recognised income/(expense) for the half-year	-	-	18	(21,042)	(47)	(21,071)
Contributions of equity	22,789	-	-	-	-	22,789
Derecognition of minority interest on disposal of FirstRock	-	-	-	-	(1,511)	(1,511)
Balance 31 December 2008	159,690	(2,626)	18	(142,597)	-	14,485

The above statement of changes in equity should be read in conjunction with the accompanying notes

Amazing Loans Limited
Cash flow statement
For the half-year ended 31 December 2008

	Note	Consolidated Half-year	
		2008 \$'000	2007 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,610	10
Payments to suppliers (inclusive of GST)		(7,064)	(133)
		(454)	(123)
Interest received		144	713
Interest and other finance costs paid		(1,445)	-
Loan repayments received		4,490	-
Loans to customers		(2,217)	-
Income taxes paid		(78)	-
Net cash inflow/(outflow) from operating activities		440	590
Cash flows from investing activities			
Payments for property, plant and equipment		(105)	-
Cash balances transferred on disposal of subsidiaries		(689)	-
Loans advanced to other entities		-	(15,000)
Proceeds from sale of property, plant and equipment		35	-
Net proceeds from sale of international franchising rights		417	-
Net cash inflow/(outflow) from investing activities		(342)	(15,000)
Cash flows from financing activities			
Proceeds from issue of shares	8	5,000	32,856
Costs for issue of shares		-	(1,312)
Repayment of borrowings		(8,200)	-
Net cash inflow/(outflow) from financing activities		(3,200)	31,544
Net increase/(decrease) in cash and cash equivalents		(3,102)	17,134
Cash and cash equivalents at the beginning of the financial half-year		4,606	-
Cash and cash equivalents at the end of the financial half-year		1,504	17,134

The above cash flow statement should be read in conjunction with the accompanying notes

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 1. Significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by the company during the half-year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Changes in accounting policy

New and / or revised standards and interpretations applicable for the year commencing 1 July 2008 have been reviewed and it was determined that changes were not required to the existing accounting policies adopted by Amazing Loan Limited. Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by Amazing Loans Limited for the interim reporting period. The directors have not yet assessed the impact of these new or amended standards and interpretations to the extent relevant to Amazing Loans Limited.

Accounting period

The current financial period for the income statement is from 1 July 2008 to 31 December 2008. Due to the reverse acquisition as described below, the comparative financial period for the income statement is from 11 July 2007 (date of incorporation of Investment Evolution Global Pty Limited, the legal subsidiary) to 31 December 2007 and only reflects Investment Evolution Global Pty Limited as it had no subsidiaries during this period.

Reverse acquisition - Amazing Loans Limited and Investment Evolution Global Pty Limited

In accordance with AASB 3 Business Combinations, when Amazing Loans Limited (the legal parent) acquired the Investment Evolution Global Group (being Investment Evolution Global Pty Limited and its controlled entities, the legal subsidiary), on 31 March 2008, the acquisition was a reverse acquisition since the substance of the transaction is that the existing shareholders of Investment Evolution Global Pty Limited had effectively acquired Amazing Loans Limited. Under reverse acquisition accounting, the consolidated financial statements are prepared as if Investment Evolution Global Pty Limited had acquired Amazing Loans Limited and its controlled entities, not vice versa as represented by the legal position.

On consolidation:

- an exercise is performed to fair value the assets and liabilities of the legal acquirer, Amazing Loans Limited;
- the cost of investment held by the legal parent (Amazing Loans Limited) in the legal subsidiary (Investment Evolution Global Pty Limited) is eliminated on consolidation against the consolidated equity and reserves of Investment Evolution Global Pty Limited and its consolidated entities. The effect of this is to restate the consolidated equity and reserves balances to reflect those of Investment Evolution Global Pty Limited at the date of acquisition;
- the number of shares disclosed by the consolidated entity are those of Amazing Loans Limited whilst the value of shares disclosed by the consolidated entity are those of Investment Evolution Global Pty Limited;
- the value of the shares issued by the legal parent for the acquisition equals the number of shares issued as part of the acquisition on 31 March 2008; and
- the consolidated financial statements are issued under the name of the legal parent (Amazing Loans Limited) but are a continuation of the financial statements of the accounting acquirer under the reverse acquisition rules.

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Going concern

The consolidated entity has prepared the financial report on a going concern basis.

For the financial half-year ended 31 December 2008, the consolidated entity incurred a loss from continuing operations after tax of \$21,725,000. In the same period the consolidated entity had operating cash inflows of \$440,000, which is largely attributable to loan principal repaid of \$4,490,000. To manage its cash flows, management has taken steps during the financial half-year to tighten its lending guidelines and reduce expenditure by announcing the closure of 37 underperforming branches during the financial half-year ended 31 December 2008 and 3 branches on 23 January 2009.

The consolidated entity is currently reliant on loan funding to finance its lending operations and expand its business to meet its objectives. As at 31 December 2008 it had facilities totalling \$100,000,000 of which \$6,900,000 was drawn down. The Fortress loan is classified as a current liability as the consolidated entity was in breach of its loan covenants as at 31 December 2008. These breaches were subsequently waived (refer to note 10). As a result, as at 31 December 2008, the consolidated entity had a net current asset deficiency after excluding the capitalised borrowing costs of \$838,000 (current assets \$8,359,000 less current liabilities \$7,295,000 less capitalised borrowing costs netted off to current borrowings \$1,902,000). As at 27 February 2009, the drawn down amount reduced to \$5,400,000. The ability of the consolidated entity to utilise the facility will be dependent on the consolidated entity meeting the terms of the loan covenant as described in note 7. The consolidated entity has had a number of review and default events under the terms of the covenants during the half-year and subsequent to half-year end. To date these events have been waived by the financier.

The directors recognise that the consolidated entity is dependent on raising additional capital to be able to utilise the current finance facilities. Specifically, as part of the Fortress terms and conditions, the consolidated entity must raise additional share capital of not less than \$5,000,000 at not less than 1 cent per share by 30 April 2009 (refer to note 7). The directors recognise that this is now a harder task than it was before the emergence of the global credit crisis. During the financial half-year, the consolidated entity successfully raised additional capital (refer to note 8), which it used to reduce some of its debt. If the consolidated entity chooses to expand its business further, it will require additional capital. The directors also acknowledge that there are conditions of the loan facility that may impede the consolidated entity to grow or to continue as a going concern irrespective of the success or otherwise of the capital raising. Should the raising of additional financing not be successful or the extending of the loan facilities not be achieved, at an amount and timing that is not adequate to meet the future operational plans, the consolidated entity may be unable to continue as a going concern.

No adjustments have been made relating to recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern. Notwithstanding the above the Directors' have prepared the financial report on a going concern basis as they regularly monitor the consolidated entity's cash position and, on an on-going basis, consider a number of strategic and operation plans and initiatives to ensure that adequate funding continues to be available for the consolidated entity to meet its objectives and financial obligations.

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 2. Segment information

Primary reporting - business segments

The consolidated entity has two business segments:

Personal Loans: Personals loans provided under the Amazing Loans brand.
Mortgage Brokerage: Distribution of home loans through FirstRock Mortgage Centre.

Half-year 2008	Continued	Discontinued	Intersegment eliminations / unallocated	Consolidated
	Operations Personal Loans \$'000	Operations Mortgage Brokerage \$'000		
Sales to external customers	5,962	1,306	-	7,268
Total sales revenue	5,962	1,306	-	7,268
Total segment revenue	5,962	1,306	-	7,268
Segment result	(21,725)	(94)	-	(21,819)
Gain on sale of Mortgage Brokerage segment				730
Profit before income tax expense				(21,089)
Profit after income tax expense				(21,089)

Half-year 2007	Continued	Discontinued	Intersegment eliminations / unallocated	Consolidated
	Operations Personal Loans \$'000	Operations Mortgage Brokerage \$'000		
Sales to external customers	723	-	-	723
Total sales revenue	723	-	-	723
Total segment revenue	723	-	-	723
Segment result	525	-	-	525
Profit before income tax expense				525
Profit after income tax expense				525

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 3. Revenue

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
From continuing operations		
<i>Sales revenue</i>		
Application fee	88	-
Default fee	115	-
Interest revenue	5,158	-
	<u>5,361</u>	<u>-</u>
<i>Other revenue</i>		
Interest received	86	713
Other revenue	105	10
	<u>191</u>	<u>723</u>
Revenue from continuing operations	<u>5,552</u>	<u>723</u>

Note 4. Expenses

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
Profit/(loss) before income tax includes the following specific items:		
Expenses		
<i>Share-based payments expense</i>		
Shares issued to Fortress for nil consideration	16,343	-
Share-based payments under the Employee Share Scheme	18	-
	<u>16,361</u>	<u>-</u>
Total share-based payments expense	<u>16,361</u>	<u>-</u>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	989	-
	<u>989</u>	<u>-</u>
Total rental expense relating to operating leases	<u>989</u>	<u>-</u>
<i>Defined contribution superannuation expense</i>		
Defined contribution superannuation expense	128	-

Amazing Loans Limited
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Note 5. Discontinued operations

Description

On 24 July 2008 the Board of Directors entered into an agreement to dispose of its 49.82% investment in First Rock Financial Pty Limited and its controlled entities for \$1,120,000. The sale was subject to the approval of the other shareholders in First Rock Financial Pty Limited. The approval was received and the sale was completed on 23 October 2008.

The consolidated entity elected to dispose of their interest in First Rock Financial Pty Limited and its controlled entities as it is considered a non core asset.

The disclosures below highlight the results of this disposed group, for the period from 1 July 2008 to 23 October 2008.

Financial performance information

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
Commissions received	1,238	-
Interest received	58	-
Other revenue	10	-
Total revenue	<u>1,306</u>	<u>-</u>
Administrative expenses	(324)	-
Commissions expenses	(873)	-
Depreciation and amortisation expenses	(4)	-
Marketing expenses	(44)	-
Occupancy expenses	(19)	-
Staff expenses	(132)	-
Travel expenses	(4)	-
Total expenses	<u>(1,400)</u>	<u>-</u>
Loss before income tax benefit from discontinued operations	(94)	-
Income tax benefit	<u>-</u>	<u>-</u>
Loss after income tax benefit from discontinued operations	<u>(94)</u>	<u>-</u>
Gain on sale before income tax expense from discontinued operations	730	-
Income tax expense	<u>-</u>	<u>-</u>
Net gain on sale after income tax expense from discontinued operations	<u>730</u>	<u>-</u>
Profit after income tax expense from discontinued operations	<u><u>636</u></u>	<u><u>-</u></u>

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 5. Discontinued operations (continued)

Cash flow information

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
Net cash inflow/(outflow) from operating activities	(256)	-
Net cash inflow/(outflow) from investing activities	(689)	-
	<u>(945)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents from discontinued operations	<u>(945)</u>	<u>-</u>

Carrying amounts of assets and liabilities

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
Cash and cash equivalents	689	-
Trade and other receivables	1,193	-
Other current assets	31	-
Property, plant and equipment	48	-
Other financial assets	15	-
Total assets	<u>1,976</u>	<u>-</u>
Trade and other payables	69	-
Provisions	6	-
Total liabilities	<u>75</u>	<u>-</u>
Net assets	<u>1,901</u>	<u>-</u>

Details of the sale

	Consolidated Half-year	
	2008	2007
	\$'000	\$'000
Total sale consideration	1,120	-
Carrying amount of net assets sold	(1,901)	-
Derecognition of minority interest	1,511	-
	<u>730</u>	<u>-</u>
Gain on sale before income tax from discontinued operations	730	-
Income tax expense	-	-
Net gain on sale after income tax expense from discontinued operations	<u>730</u>	<u>-</u>

IEG Holdings Limited

On 1 July 2008 IEG Holdings Limited was established as a subsidiary of Amazing Loans Limited. It was subsequently disposed of on 28 August 2008 for a nominal amount. IEG Holdings Limited did not trade during the period from 1 July 2008 to 28 August 2008 and it had no assets or liabilities as at its disposal date. IEG Holdings Limited was a director and significant shareholder related entity to Amazing Loans Limited.

Amazing Loans Limited
Notes to the financial statements
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Note 6. Current liabilities - borrowings

	Consolidated	
	31 December	30 June
	2008	2008
	\$'000	\$'000
Interest bearing loans	4,998	-

The Fortress loan is classified as a current liability as the consolidated entity was in breach of its loan covenants as at 31 December 2008. These breaches were subsequently waived (refer to note 10).

Refer to note 7 for further information.

Note 7. Non-current liabilities - borrowings

	Consolidated	
	31 December	30 June
	2008	2008
	\$'000	\$'000
Interest bearing loans	-	14,156
Redeemable preference shares	932	932
	<u>932</u>	<u>15,088</u>

Redeemable preference shares (RPS)

Redeemable preference shares (RPS) consist of 932,081 shares of \$1.00 per share. All the RPS are redeemable at \$1.00 each at the option of the company by giving a 30 days written notice or on the redemption date which is 30 June 2011. The Company cannot compulsory convert RPS shares to equity without RPS holder approval. The RPS holder is paid a dividend of 15 cents per annum payable quarterly in arrears if the company is profitable which is recognised as a finance cost in the income statement.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 December	30 June
	2008	2008
	\$'000	\$'000
Interest bearing loans - current	6,900	-
Interest bearing loans - non-current	-	15,100
	<u>6,900</u>	<u>15,100</u>

The interest bearing loan as at 31 December 2008 stated in the balance sheet included capitalised borrowing costs of \$1,902,000 (30 June 2008: \$944,000) which were offset in the balance sheet but not in the table above to reflect the amount used at balance date.

Assets pledged as security

The interest bearing loans are secured by a fixed and floating charge over the consolidated entity's assets.

Amazing Loans Limited
Notes to the financial statements
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Note 7. Non-current liabilities - borrowings (continued)

Financing arrangements

Access was available at balance date to the following lines of credit:

	Consolidated	
	31 December	30 June
	2008	2008
	\$'000	\$'000
Total facilities		
Interest bearing loans	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>
Used at balance date		
Interest bearing loans	<u>6,900</u>	<u>15,100</u>
	<u>6,900</u>	<u>15,100</u>
Unused at balance date		
Interest bearing loans	<u>93,100</u>	<u>84,900</u>
	<u>93,100</u>	<u>84,900</u>

Amazing Loans Limited
Notes to the financial statements
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Note 7. Non-current liabilities - borrowings (continued)

Terms and conditions for interest bearing loans

Interest bearing loans relates to a loan facility agreement entered into by the consolidated entity on 2 May 2008 with Fortress Credit Corporation (Australia) II Pty Limited (Fortress). Under the terms of the agreement the consolidated entity has access to a \$100 million loan facility at an interest rate of BBSY plus 9.5%. Access to the facility is limited, subject to certain covenants being met.

The key terms and conditions of the facility are listed below:

- Maximum leverage ratio of 60%, such that the consolidated entity has to raise \$1,000,000 of capital for every \$1,500,000 borrowed from Fortress.
- Minimum net tangible assets of \$10,000,000.
- Minimum drawdown of \$1,500,000 in \$100,000 increments, subject to Fortress approval.
- Issue 555,900,000 shares from Amazing Loans Limited to Fortress in accordance with the AZD Subscription Deed by 15 August 2008.
- Not less than \$500,000 raised sales proceeds from the sale of the international franchise rights no later than 20 August 2008.
- Not less than \$3,000,000 to be raised through placement in shares in Amazing Loans Limited at no less than 1 cent per share by 26 August 2008.
- Not less than \$2,000,000 to be raised through placement in shares in Amazing Loans Limited at no less than 1 cent per share by 30 September 2008.
- Not less than \$5,000,000 to be raised through a placement in shares in Amazing Loans Limited at no less than 1 cent per share by 30 April 2009.
- Positive annual consolidated net profit from 30 June 2010.
- Principal outstanding not to exceed \$40 million and 55% of eligible loans receivable for the first 12 months.
- A fee of \$1,000,000 is payable if the amount borrowed does not exceed \$20,000,000 on or after 2 May 2009.
- Aggregate receivables in arrears more than 60 days and less than 181 days divided by total outstanding receivables (Delinquency ratio) not to exceed 20%.
- Aggregate receivables in arrears more than 181 days divided by total outstanding receivables (Default ratio) must be less than 13%.
- Submission of compliance certificates monthly and at the time of any draw down.
- Provision of annual audited consolidated financial statements within 90 days of annual balance date.
- Paul Mathieson consultancy agreement must remain in place and 50% of his time is to be spent in Australia.
- Paul Mathieson ceases to perform the services required of him under the Consultancy Services Agreement; this agreement must remain in place and 50% of his time is to be spent in Australia.
- Where there is a change in CEO, CFO or head of credit and collections, the replacement person is acceptable to Fortress.
- Any person who is a director of Amazing Loans Limited as at 15 August 2008 ceases to be a director need to be replaced with persons who have prior written approval from Fortress.

On 9 October 2008 the Company was informed by Fortress that the Company had breached three covenants of the facility agreements.

- three months old rolling average Default Ratio exceeded 13% on 23 September 2008
- failure to provide certified and audited unconsolidated and consolidated Annual Accounts within 90 days of its annual balance date
- the listed securities of AZD were suspended from ASX trading for a consecutive period or more than 5 days

On 9 October 2008 Fortress issued an "Events of Review" notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 7. Non-current liabilities - borrowings (continued)

On 9 November 2008 the Company was informed by Fortress that the Company had breached three covenants of the facility agreements.

- three months old rolling average Default Ratio exceeded 13% on 23 October 2008
- failure to provide certified and audited unconsolidated and consolidated Annual Accounts within 90 days of its annual balance date
- the listed securities of AZD were suspended from ASX trading for a consecutive period or more than 5 days

On 9 November 2008 Fortress issued an “Events of Review” notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

On 10 December 2008 the Company was informed by Fortress that the Company had breached three covenants of the facility agreements.

- three months old rolling average Default Ratio exceeded 13% on 23 November 2008
- failure to provide certified and audited unconsolidated and consolidated Annual Accounts within 90 days of its annual balance date
- the listed securities of AZD were suspended from ASX trading for a consecutive period or more than 5 days

On 10 December 2008 Fortress issued an “Events of Review” notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

As part of Fortress' monthly reviews, on 9 October 2008, 9 November 2008 and 10 December 2008 Fortress confirmed that they had waived the rights afforded to them under the facility agreement for the breaches and Events of Review. For details of further breaches subsequent to 31 December 2008 refer to note 10.

Note 8. Equity - contributed

	Consolidated		Consolidated	
	31 December	30 June	31 December	30 June
	2008	2008	2008	2008
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>4,149,834,300</u>	<u>3,093,934,300</u>	<u>159,690</u>	<u>136,901</u>

Movements in ordinary share capital during the half-year

Details	Date	No of shares	Issue price	\$'000
Balance	1 July 2008	3,093,934,300		136,901
Shares issued to Fortress	28 July 2008	555,900,000	\$0.032	17,789
Shares issued	28 August 2008	300,000,000	\$0.010	3,000
Shares issued	30 September 2008	<u>200,000,000</u>	\$0.010	<u>2,000</u>
Balance	31 December 2008	<u>4,149,834,300</u>		<u>159,690</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

Amazing Loans Limited
Notes to the financial statements
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Note 9. Contingent liabilities

As at 31 December 2008, the consolidated entity has a \$1,000,000 (30 June 2008: \$1,000,000) contingent liability payable to Fortress Credit Corporation (Australia) II Pty Limited if the amount borrowed does not exceed \$20,000,000 on or after 2 May 2009.

Note 10. Events occurring after balance date

On 12 January 2009 the Company was informed by Fortress that the Company had breached three covenants of the facility agreements.

- three months old rolling average Default Ratio exceeded 13% on 16 December 2008
- failure to provide certified and audited unconsolidated and consolidated Annual Accounts within 90 days of its annual balance date
- the listed securities of AZD were suspended from ASX trading for a consecutive period or more than 5 days

On 12 January 2009 Fortress issued an "Events of Review" notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

On 14 January 2009 the Company was informed by Fortress that the Company had breached two covenants of the facility agreements.

- excess spread of eligible seasoned receivables exceeded -13% on 16 December 2008
- eligible all rate receivables exceeded 15% on 16 December 2008

On 6 February 2009 the Company was informed by Fortress that the Company had breached two covenants of the facility agreements.

- excess spread of eligible seasoned receivables exceeded -13% on 23 January 2009
- eligible all rate receivables exceeded 15% on 23 January 2009

On 6 February 2009 Fortress issued an "Events of Review" notice arising from Paul Mathieson ceasing to perform the services required of him under the Consultancy Services Agreement with Amazing Loans Limited.

As part of Fortress' monthly reviews, on 12 January 2009, 14 January 2009 and 6 February 2009 Fortress confirmed that they had waived the rights afforded to them under the facility agreement for the breaches and Events of Review.

On 23 January 2009 the Company closed a further 3 branches, leaving 8 branches open across 4 capital cities of Australia.

On 2 February 2009 the Company issued its Target Statement in response to the takeover bid from IEG Holdings Limited. On 26 February 2009 the Company received notification from IEG Holdings Limited that it held 86.53% of Amazing Loans Limited's ordinary shares.

Apart from the matters discussed above, no other matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect the consolidated entity operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Amazing Loans Limited
Notes to the financial statements
31 December 2008

Note 11. Share-based payments

On 28 July 2008 555,900,000 ordinary shares at 3.2 cents each totalling \$17,789,000 were issued to Fortress Credit Corporation (Australia) II Pty Limited for no cash consideration. A valuation was performed by an independent expert to determine the deemed value of the services provided. Based on this valuation \$1,446,000 was considered to be the fair value of the services provided, being the provision of the loan facility, which has been capitalised against the interest bearing loans and will be amortised as a finance cost over 36 months being the term of the financing arrangement. The remaining balance, equating to the total fair value of the share gift provided, of \$16,343,000 was fully expensed as a share-based payments expense.

In addition to the Fortress transaction, during the half-year ended 31 December 2008 there were share-based payments expenses under the Employee Share Scheme of \$18,000.

Amazing Loans Limited
Directors' declaration

In accordance with a resolution of the directors of Amazing Loans Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Daniel Livingston
Director and Non-Executive Chairman

Dated this 27th day of February 2009
Sydney

To the members of Amazing Loans Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Amazing Loans Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Amazing Loans Limited and the entities it controlled during the half-year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Financial Report.

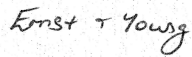
Conclusion

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 Amazing Loans Limited is not in accordance with the *Corporations Act 2001*, including:

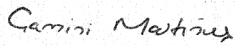
- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 'Going Concern' of the financial report, there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Gamini Martinus'.

Gamini Martinus
Partner
Sydney
Date: 27 February 2009