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2014/15 Full Year Results

Easton Investments Limited (**Easton or the Company**) releases its results for the 12-months ended 30 June 2015.

Strong Earnings Growth

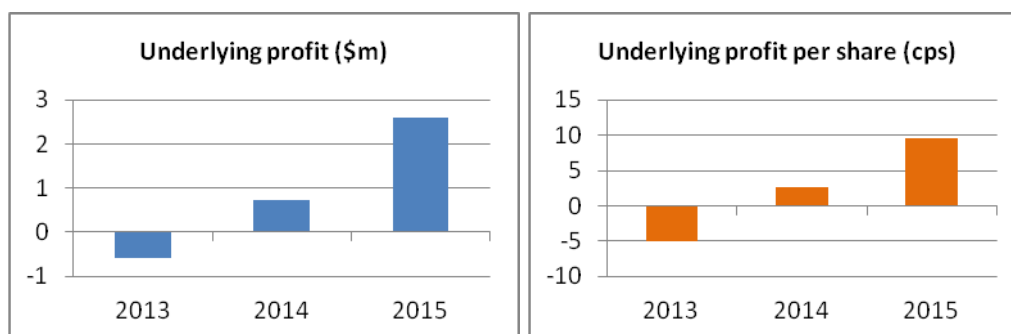
Directors are pleased with the continued improvement in earnings over the last 12 months, including further improvement in 2nd half performance, as foreshadowed at this time last year.

Statutory Profit (being net profit after tax) increased to \$1.24m (2014: loss of \$1.63m), up 176%.

At the same time, Underlying Profit (being normalised earnings before interest, tax and amortisation) increased to \$2.60m (2014: \$0.72m), up 263%.

The Company uses Underlying Profit, which is a non-IFRS measure, to assess performance as it excludes non-cash amortisation and share based payment charges, together with one-off or non-operational items.

Importantly, earnings per share has increased significantly compared with the prior year, rising to 9.5 cents per share on the basis of Underlying Profit (2014: 3.4 cents per share).



Increased profitability has been achieved on the back of higher Operating Revenue, which climbed to \$18.81m (2014: \$10.95m), up 72%.

Higher Operating Revenue reflects increased scale of operations and pleasing organic growth within the Company's main operating businesses.



Businesses and Investments

A highlight of the year has been the performance of the Knowledge Shop business, which is 100% owned by Easton, and which continued to attract new subscriber firms to its accounting network and thereby grow its distribution capability. Easton Asset Management also continued to grow strongly with funds under contract distribution rising to \$538m (2014: \$330m).

More generally, whilst most of the Company's businesses and investments performed satisfactorily during the year, Directors expect further improvement in the year ahead and draw particular attention to 2nd half performance which delivered Underlying Profit of \$1.59m (1st half: \$1.01m) on the back of higher Operating Revenue.

2014/15	1 st Half	2 nd Half	Increase	Total
	(\$m)	(\$m)	(%)	(\$m)
Operating Revenue	8.30	10.51	27%	18.81
Underlying Profit	1.01	1.59	57%	2.60

Acquisitions

The Company completed two transactions at the end of 2014/15, both of which are expected to have a positive impact on earnings and earnings per share in 2015/16.

On 3 June 2015, the Company announced the purchase of a 25% interest in First Financial Pty Limited (**First Financial**), a pre-eminent, Melbourne based, wealth management and financial services business.

On 25 June 2015, the Company announced that it had entered into strategic partner arrangements with Law Central Co. Pty Limited (**Law Central**), an internet-based company providing automated, on-line legal and corporate documents across Australia. Under the arrangements with Law Central, Easton has acquired an initial 12.6% equity interest in Law Central with a performance based option to increase its equity interest to 30% over the next 2 years.

Both transactions have involved an all cash consideration, which has been sourced from existing surplus cash reserves. This has allowed the Company to invest in future earnings growth without issuing any new shares and thereby eliminating earnings per share dilution.

The Company continues to carefully and selectively assess a pipeline of acquisition opportunities.

Sound Financial Position

At balance date, the Company is in a sound financial position with cash of \$1.45m and borrowings of \$0.65m.

Strong cash flow from operations during the year of \$2.43m (2014: \$0.02m) has allowed the Company to maintain a net cash position at financial year end whilst investing in earnings accretive acquisitions as noted above.

The Managing Director of Easton, Greg Hayes, commented that "the Company's balance sheet remains sound and substantially unleveraged, our main businesses are performing well and generating strong cash



flow on the back of improved earnings, two accretive transactions were completed at the end of the financial year which will contribute in 2015/16 and we continue to investigate growth opportunities, both organic and acquisitive.”

Outlook

Mr Hayes confirmed that the Company is well placed to continue to achieve strong growth in earnings and earnings per share over the next 12 months on the back of further improvement in business performance, which began to emerge in the 2nd half, together with the expected earnings contribution from acquisitions completed at the end of 2014/15.

“Over the last 12 months, the Company has continued to assess opportunities to grow its businesses and to improve profitability. The benefits of initiatives and investment to support organic earnings growth are expected to underpin the 2015/16 profit result, in combination with acquired earnings.”

“In this regard, Easton will continue to investigate acquisition opportunities which are consistent with the Company’s strategic direction and intent to build a scale distribution capability in the Australian financial services sector. We will, nonetheless, remain extremely selective and only transact where we clearly perceive sustainable value for our shareholders.”

Carried forward income tax losses at 30 June 2015 of \$1.83 million will provide income tax payment relief over the coming year and therefore augment cash flow.

Further Information

In accordance with Listing Rule 4.2A, the following information has been released to the market:

1. Appendix 4E and Annual Report for the 12-months ended 30 June 2015; and
2. 2014/15 Full Year Results presentation dated 25 August 2015.

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