

Via ASX Online

29 November 2013

ASX Market Announcements Office
ASX Limited

Further Business Simplification

The directors of Easton Investments Limited (**Easton** or **the Company**) advise that the Company continues to seek opportunities to simplify and re-organise its businesses and operations in order to improve underlying profitability.

Specifically, the Company has today agreed to restructure and sell the Portfolio Management division of Easton Asset Management Limited (**EAM**) pursuant to a management buy-out proposal.

EAM is a wholly owned subsidiary of Easton and at the completion of the current proposal, its operations will be simplified to a single division which distributes the Harmony suite of investment funds across Asia and the Middle East.

The Portfolio Management division is presently not achieving the investment return required by Easton and directors are of the opinion that the division is unlikely to deliver satisfactory returns in the short to medium term.

Its divestment for a nominal consideration of \$1.00 is expected to improve the underlying profitability of EAM (and Easton on consolidation) by not less than \$400,000 per annum before one-off termination payments of approximately \$150,000.

The proposed arrangements will take effect from 30 November 2013 and, as a result, Easton is expected to achieve an operating surplus in the 2nd half of 2013/14 before one-off termination payments.

The decision to re-organise and dispose of this division was taken as a part of an on-going simplification and rationalisation program and the directors advise that they intend to continue to focus on this program where it might reasonably be expected to lead to improved profitability and/or lower inherent business risk.

The directors also advise that they continue to investigate acquisition opportunities in accordance with the Company's strategic intent and direction.

For further information, please contact –

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