Easton Investments Limited
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Via ASX Online

ASX ANNOUNCEMENT – 21 February 2014

ASX Market Announcements Office
ASX Limited

ASX Code: EAS

2013/14 First Half Results

Easton Investments Limited (**Easton** or **the Company**) submits its results for the 6-months ended 31 December 2013.

Directors are pleased to report that the Company has made excellent progress during this period from an operational, financial and strategic perspective.

The Company has reported a loss attributable to members for the half-year of $819,688 (2012: loss of $1,286,786), which includes –

(a) non-cash costs of $621,152 associated with impairment charges and loss on disposal of intangible assets; and

(b) one-off redundancy and related costs of $376,331 arising from actions taken during the half-year to restructure, re-organise and simplify the Company's businesses and operations.

After allowing for these and other one-off items, underlying profit (represented by normalised EBITA as referred to in the attached Interim Report) for the 1st half of $34,017 is a significant improvement on a loss on a comparative basis for the previous corresponding period of $470,375.

Whilst the benefit of the actions taken in the 1st half are now beginning to emerge in terms of underlying performance and profitability, the full benefit of these actions will not be realised until the 2nd half of this financial year due to timing considerations relating to the progressive implementation of the restructuring, re-organisation and simplification program carried out during the 1st half.

In addition, the Company announced an important transaction on 28 November 2013 involving the acquisition of the Hayes Knight NSW businesses. This transaction was subsequently approved by Easton Shareholders on 30 January 2014 and is due to be completed shortly.

The Company has also announced the proposed sale of its 19.9% interest in AAM Advisory Pte Ltd involving a cash consideration of $1.15 million, which sale was also approved by Easton Shareholders on 30 January 2014 and which is expected to be completed shortly. The proceeds of this sale will further strengthen the Company's balance sheet following two capital raisings during the 1st half which raised a total of $3.65 million.

At balance date, the Company is in a sound financial position with cash of $3.5 million. A $3.0 million acquisition facility has been provided by Westpac, thereby making available sufficient funds to complete the acquisition of the Hayes Knight NSW businesses, as well as surplus funds for future growth opportunities. This surplus will be boosted upon receipt of the proceeds of sale relating to the Company's interest in AAM Advisory.

Outlook

As a result of the business transformation that has occurred in the 1st half of 2013/14, coupled with the agreed acquisition of the Hayes Knight NSW businesses, Directors believe that the Company has an exciting future with excellent medium to long term prospects.

Easton now has in place a clear strategic direction, its existing businesses are operating profitably, the Company is in the process of completing a significant transaction with strong earnings capability and it has an appropriate corporate overhead structure to support both its businesses and its strategy.

An important focus during the rest of 2014 will necessarily be on improved profitability and operating cash flow. To this end, the Hayes Knight NSW businesses are expected to play an important role.

Attached Information

In accordance with Listing Rule 4.2A, the following information is attached for immediate release to the market:

1. Appendix 4D;
2. Easton's Interim Report for the 6-months ended 31 December 2013; and
3. 2013/14 First Half Results presentation dated 21 February 2014.

Mark Licciardo
Company Secretary

Please direct all enquiries to:

Geoff Robinson
Chief Financial Officer

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Rule 4.2A.3

Appendix 4D

Half-year Report
For the period ended 31 December 2013

Name of entity

EASTON INVESTMENTS LIMITED

ABN

48 111 695 357

1. Details of the reporting period and the previous corresponding period

Current Reporting Period	The half-year ended 31 December 2013
Previous Corresponding Reporting Period	The half-year ended 31 December 2012

2. Results for announcement to the market

a) Amount and percentage change compared to the previous corresponding period

	2013 $	**2012 $**	**% Change**	**Up/ (Down)**
Revenue from ordinary activities	4,060,389	2,494,010	62.8%	Up
Loss from ordinary activities after tax attributable to members	(819,688)	(1,286,786)	36.3%	Down
Loss for the period attributable to members	(819,688)	(1,286,786)	36.3%	Down

b) The amount per security and franked amount per security of final and interim dividends

No dividends were paid, declared or recommended since the start of the current reporting period.

c) The record date for determining entitlements to dividends (if any)

Not applicable.

d) A brief explanation of any of the figures reported above necessary to enable the figures to be understood

Commentary on the results for the half-year ended 31 December 2013 is provided in the 'Review of operations' section in the attached Interim Report.

3. Net tangible assets per security with the comparative figure for the previous corresponding period

	Current Period	Previous Period
Net tangible asset backing per ordinary security	22.24 cents	(1.59) cents

The increase in net tangible asset backing per ordinary security, compared to the prior corresponding period, reflects the significant increase in cash assets held at 31 December 2013 as a result of the Group's capital raising initiatives during the period coupled with the impact of the 1 for 5 share consolidation. The impact of the share consolidation on the net tangible asset backing per security is 17.79 cents. The net tangible asset backing per security for the previous period has been restated to reflect the impact of the 1 for 5 share consolidation.

4. Details of entities over which control has been gained or lost during the period

a) Control gained over entities

(i) Easton Distribution Services Pty Ltd

Name of the entity	Easton Distribution Services Pty Ltd (**EDS**)
Ownership interest	100%
Date control was gained	11 December 2013
EDS was incorporated on 11 December 2013 and will be the holding company for the distribution businesses acquired under the Hayes Knight acquisition announced to the ASX on 28 November 2013. There has been no activity in **EDS** since incorporation up to the current reporting date.	

(ii) Easton Accounting & Tax Pty Ltd

Name of the entity	Easton Accounting & Tax Pty Ltd (**EAT**)
Ownership interest	100%
Date control was gained	11 December 2013
EAT was incorporated on 11 December 2013 and will be the holding company for the accounting business acquired under the Hayes Knight acquisition announced to the ASX on 28 November 2013. There has been no activity in **EAT** since incorporation up to the current reporting date.	

b) Control lost over entities

(i) Incito Wealth Pty Ltd

Name of the entity	Incito Wealth Pty Ltd (**Incito**)
Ownership interest disposed	51%
Date control was lost	31 August 2013
The Group's 51% interest in **Incito** was disposed of on 31 August 2013 to the shareholder previously holding the remaining 49%. Consideration received was $100,000 in cash resulting in a profit on disposal of $93,796. **Incito's** contribution to the Group's profit from ordinary activities for the period 1 July 2013 to 31 August 2013 and the previous corresponding period was not material.	

(ii) Absolute Asset Management Ltd

Name of the entity	Absolute Asset Management Ltd (**AbsAM**)
Ownership interest disposed	100%
Date control was lost	30 November 2013
The Group's 100% interest in **AbsAM** was disposed of on 30 November 2013 pursuant to a management buyout. Nominal consideration received was $1. **AbsAM's** contribution to the Group's profit from ordinary activities for the period 1 July 2013 to 30 November 2013 and the previous corresponding period was not material.	

5. Details of individual and total dividends or distributions and dividend or distribution payments

Not applicable.

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable.

7. Details of associates and joint venture entities

a) Details of associates

Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
Axial Wealth Management Pty Ltd	20%	-	-	-

Axial Wealth Management Pty Ltd (Axial) is currently trading in an accumulated loss position. Easton has previously recorded in its consolidated financial statements its share of accumulated losses to the extent of its investment in Axial. Easton earns rental income from Axial pursuant to a sub-let rental agreement.

b) Details of joint venture entities

Not applicable.

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

Not applicable.

9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification

Not applicable.

Rodney Green
Chairman

Melbourne
21 February 2014

Easton Investments Limited ABN 48 111 395 357
Interim Report – 31 December 2013

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Easton Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your directors present their report together with the interim financial report on the consolidated entity ("the Group") consisting of Easton Investments Limited ("Easton" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2013.

Directors

The following persons were directors of Easton during the whole of the half-year and up to the date of this report:

Rodney Green
Jonathan W. Sweeney
Kevin W. White

Results and dividends

The net loss after tax of the Group for the half-year ended 31 December 2013 was $819,688 (2012: a loss of $1,286,786).

No dividends were paid, declared or recommended since the start of the financial year.

Review of operations

Review of current year strategy

During the period under review, management continued to substantially re-organise and restructure the operations of the Group. The Company has successfully completed its short term priorities which were outlined in the Managing Director's Report in the 2013 Annual Report. Consequently, the Group's underlying profitability has improved.

Underlying Profitability

The Company's main priority over the six months to 31 December 2013 has been to implement a business simplification program to achieve an improvement in underlying profitability. This simplification program has involved a number of steps to restructure, re-organise and simplify the Company's businesses and operations in order to make the Company profitable, including:

- the divestment of interests in Incito Wealth Pty Ltd and API Capital Pty Ltd;
- the restructuring of Easton Asset Management Limited, involving the sale of the Portfolio Management client book (for a nominal consideration of $1.00);
- the proposed sale of Easton's 19.9% interest in AAM Advisory Pte Ltd (**AAMA**) for consideration of $1.15 million which was approved at an Extraordinary General Meeting of shareholders held on 30 January 2014 and will be completed once all conditions precedent have been satisfied; and
- the rationalisation of dealer group services and an associated reduction in corporate overhead costs.

The benefit of these actions is now beginning to emerge as summarised below.

Given the level of restructuring and change that has taken place over the last 6 months, the Directors are of the view that the most appropriate measure to best assess the underlying performance of the Group from an operational and financial perspective is "Normalised EBITA" which is earnings before interest, tax and amortisation (EBITA) excluding the impact of:

a) one-off non-operational items (including restructuring and acquisition-related costs, redundancy costs, impairment charges, and gains/losses on the sale of investments); and
b) non-cash amortisation charges relating to separately identifiable intangible assets acquired under business combinations.

Directors also believe that it is important to note the items that have been reversed in determining Normalised EBITA and the rationale for that reversal where appropriate. Accordingly, the following table provides a reconciliation between the Group's underlying result on a Normalised EBITA basis and the statutory reported result for the current reporting period, together with a prior period comparison to facilitate an assessment of the operational and financial performance of the Group.

	31 Dec 2013	31 Dec 2012
	$	$
Net revenue from continuing operations	**4,060,389**	2,494,010
Operating costs from continuing operations	**(4,026,372)**	(2,964,385)
Normalised EBITA for the half-year	**34,017**	(470,375)
Add/(deduct):		
Unrealised gain on fair value of investments	**84,425**	(219,421)
Gain on disposal of subsidiaries	**93,796**	193,278
Net refund of overpaid goods and services tax	**101,936**	-
Loss on disposal of client list	**(522,764)**	-
Redundancy and discontinued staff costs	**(376,331)**	-
Restructuring and acquisition-related costs	**(209,495)**	(214,673)
Costs associated with tax consolidation	**(24,725)**	-
Loss from operations for the half-year	**(819,141)**	(711,191)
Deduct:		
Impairment losses	**(98,388)**	(290,685)
Impairment on fair value adjustment on assets held for sale	**-**	(49,132)
Reported EBITA for the half-year	**(917,529)**	(1,051,008)
Add/(deduct):		
Net interest income/(expense)	**25,447**	(43,378)
Amortisation of separately identifiable intangible assets	**(117,420)**	(188,846)
Statutory operating loss before tax for the half-year	**(1,009,502)**	(1,283,232)
Income tax benefit/(expense)	**189,814**	(3,554)
Statutory loss after tax for the half-year	**(819,688)**	(1,286,786)
NPAT Attributable to Non-controlling Interest	**26,626**	63,874
NPAT Attributable to Members	**(846,314)**	(1,350,660)

Normalised EBITA for the first half of $34,017 represents a significant improvement on a loss on a comparative basis for the prior corresponding period of $470,375.

Notwithstanding the significant improvement in underlying profitability, the full benefit of the restructuring initiatives will not be realised until the second half of this financial year due to timing considerations relating to the progressive implementation of the simplification program during the first half.

The increase in revenues from continuing operations for the period was driven by a $1.4 million increase in revenue generated by the asset management business. This increase reflects the impact of a full 6 months of operations in the current reporting period compared to 4 months' operations in the prior corresponding reporting period (Easton Asset Management Limited was acquired by the Group on 28 August 2012). The funds distribution business via Momentum Harmony Funds has contributed to this increase in revenue with Funds Under Management (FUM) growing from US$185 million at 30 June 2013 to US$254 million at 31 December 2013 driven by net inflows of US$51 million for the half-year.

The reported result for the first half has been adversely impacted by non-cash costs of $621,152 associated with impairment charges and loss on disposal of intangible assets. In addition, the business transformation has required one-off expenditure in the form of redundancy and related costs of $376,331. After these and other one-off items, reported EBITA for the first half was a loss of $917,529 (2012: loss of $1,051,008).

Net profit after tax (NPAT) attributable to members was a loss of $846,314 (2012: loss of $1,350,660), this result benefitting from a lower amortisation charge and a tax benefit of $189,814.

Strengthened Financial Position

A second key priority during the first half has been to put the Company in a sound financial position which has been achieved as a result of two capital raisings, as follows:

- a one for three rights issue which was completed on 3 July 2013 and raised over $2.15 million (before costs); and
- a private placement to sophisticated and professional investors which was completed on 6 August 2013 and raised $1.50 million.

In addition, the Company announced the execution of a Share Sale Agreement on 17 December 2013 for the sale of its 19.9% interest in AAMA involving a cash consideration of $1.15 million. This transaction has not been completed and the proceeds of sale have not been received at the date of this report. When received, these proceeds will further strengthen the Company's balance sheet.

During the first half, the Company also completed a one for five share consolidation, which reduced the number of Easton shares on issue to approximately 19.2 million. The Directors consider that the share consolidation provides a more appropriate capital structure and is consistent with the Directors' strong focus on capital management going forward.

Strategic Direction

The third key priority during the first half has been to review and refine the Company's strategic direction and to reposition it for sustained long term growth in order to create shareholder value.

Easton's strategic intent is to build a significant distribution capability in the Australian financial services sector. Directors strongly believe that the progressive development of scale distribution in the financial services sector will create strategic value and thereby enhance the value of Easton shares over time.

Consistent with this strategic direction and intent, the Company announced an important transaction on 28 November 2013 involving the acquisition of the following interests as part of a single transaction (**the Transaction**):

- 30% of the issued shares of Hayes Knight (NSW) Pty Ltd (***HKNSW***) and 30% of the issued shares of its related entity Hayes Knight Services (NSW) Pty Ltd;
- 100% of the issued shares of Knowledge Shop Professional Consulting Pty Ltd (***Knowledge Shop***);
- 100% of the issued shares in HK Financial Services Pty Ltd which includes its wholly-owned subsidiaries Merit Wealth Pty Ltd (***Merit Wealth***) and Merit Planning Pty Ltd;
- 100% of the issued shares of Hayes Knight Referral Services Pty Ltd (***HKRS***); and
- 50% of the issued shares of Superssentials Administration Services Pty Ltd (***Superssentials***).

The Transaction was subsequently approved at an Extraordinary General Meeting of shareholders on 30 January 2014 and will be completed once all conditions precedent have been satisfied.

The parties have agreed to some relatively minor adjustments to the Transaction in advance of Completion. The interest in Superssentials will not be included in the Transaction given its early stage of development, but will be retained by HKNSW (which will continue to hold a 75% interest in Superssentials). The up-front component of the purchase price has been adjusted accordingly.

After this and other sundry adjustments agreed by the Parties, the up-front consideration has been reduced from $10.86 million to $10.66 million which is to be satisfied by the issue of 8,194,444 Easton shares at an issue price of $0.90 each, plus a cash payment of $3.285 million.

The total number of Easton shares on issue post the Transaction is approximately 27.4 million, of which 30.0% will be held by the vendors of the sale assets. One third of these shares are to be subject to voluntary escrow for a period of 12 months and a further one third for a period of 24 months.

The cash component of the consideration will be funded from existing surplus cash held by Easton, together with bank borrowings. In this regard, a new $3.0 million loan facility has been provided to Easton by Westpac, which will be partially drawn and the unused portion of the facility will be available for future acquisition opportunities.

Directors believe that the Transaction is highly attractive as it:

- represents an excellent strategic fit with Easton's stated intent and direction;
- is an important first step in creating a meaningful distribution business with significant scale;
- offers strong potential for organic growth;
- opens opportunities for prospective acquisitions in the financial services sector;
- repositions Easton with an expanded capital base and with enhanced earnings and earnings prospects; and
- involves a purchase price that is largely satisfied by the issue of Easton shares, thereby providing a strong alignment of interests going forward and reflecting confidence in the further growth of the Hayes Knight NSW Businesses in particular and in the future prospects of Easton more generally.

The up-front consideration is priced on an earnings (profit before interest, tax and amortisation (EBITA)) multiple for 2014 in the range of 5 to 6 times, although due to timing of the Transaction, full year earnings will first apply in the following year (2014/15).

The earnings performance of the Hayes Knight NSW Businesses will be materially influenced by the performance of Merit Wealth and its related entity HKRS, in particular having regard to the quantum and rate of roll out of Referral Rights under the Merit Wealth business model.

On completion of the Transaction, Mr Greg Hayes, the founder of the Hayes Knight NSW Businesses, will join the Board of Easton and assume the role of joint Managing Director alongside Easton's current Managing Director, Mr Kevin White.

Mr Hayes will have responsibility for the future performance and growth of the Hayes Knight Businesses, as well as identifying further accounting acquisition opportunities. Mr White will continue to have responsibility for Easton's existing operations, as well as selectively targeting new, strategic acquisition and merger opportunities in keeping with Easton's aspiration to develop a major distribution capability in the Australian financial services sector.

The combination of Mr Hayes and Mr White, with complementary skills and expertise, working together to build Easton into a substantial enterprise gives Directors a great deal of confidence in the Company's future prospects. Importantly, Easton's two key people will both have a significant shareholding in the Company and, as a result, they will have a meaningful incentive to deliver sustainable and growing earnings in order to achieve a higher share price and thereby create value for all Easton shareholders. The interests of shareholders and key executives will be strongly aligned.

Outlook

As a result of the business transformation that has occurred in the first half of the financial year, Directors believe that the Company has an exciting future with excellent medium to long term prospects.

We now have in place a clear strategic direction, our existing businesses are profitable, we are in the process of completing a significant transaction with strong earnings capability and we have an appropriate corporate overhead structure to support both our businesses and our strategy.

An important focus during the rest of 2014 will necessarily be on improved profitability and operating cash flow. To this end, the Hayes Knight NSW Businesses are expected to play an important role.

Knowledge Shop and Merit Wealth in particular are both well placed to grow organically in their respective sectors. At the same time, both businesses offer strong cross-sell referral opportunities, as well as the potential to leverage other service lines in the financial services sector.

In terms of acquisitions, the broader intent is to selectively build a national network of compatible accounting firms, similar in culture, scope and size to HKNSW in accordance with Easton's differentiated business model of partial ownership.

More specifically, our intention is to acquire meaningful equity interests in quality accounting and financial planning businesses that are fully aligned with Easton's strategic direction and are capable of helping deliver on its strategic intent and broader aspirations.

We will, however, remain extremely selective, we will only invest in quality businesses with like-minded people and we will apply a consistent approach to investment to ensure that we achieve an acceptable return on capital employed and thereby increase the underlying value of our Company and its share price.

The Directors believe the Company has strong potential for sustained growth over the coming years, both organic and by the acquisition of meaningful interests in both accounting and financial planning businesses.

Significant events after the balance date

As detailed in the Review of Operations, the Company announced the Transaction on 28 November 2013 involving the purchase of the Hayes Knight NSW Businesses. The Transaction will be completed once all conditions precedent have been satisfied and will have an effective date of 1 February 2014 involving the issue of 8,194,444 Easton shares at an issue price of $0.90 each, plus a cash payment of $3.285 million.

A new $3.0 million bank finance facility has been provided to the Group by Westpac Bank for acquisition funding. The facility is conditional on the completion of the acquisition of the Hayes Knight NSW Businesses. As at the date of this report, the facility has not been activated.

Shareholders approved the proposed sale of Easton's interest in AAM Advisory Pte Ltd on 30 January 2014 and completion is expected to occur once all conditions precedent have been satisfied.

Auditors' independence declaration

A copy of the auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 10.

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

Rodney Green
Chairman

Melbourne
21 February 2014

PITCHER PARTNERS

EASTON INVESTMENTS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF EASTON INVESTMENTS LIMITED

In relation to the independent review for the half-year ended 31 December 2013, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

N R BULL
Partner
21 February 2014

PITCHER PARTNERS
Melbourne

	Half-year	
	2013	2012
	$	$
Revenue from continuing operations	**4,060,389**	2,494,010
Interest income	**55,828**	10,598
Net gain on disposal of subsidiaries	**93,796**	80,630
Unrealised gain on fair value of investments	**84,425**	-
Net loss on investments held for trading	**-**	(219,421)
Net loss on disposal of client lists	**(522,763)**	-
Fees and commissions	**(2,027,782)**	(783,380)
Salaries and employee benefits expense	**(1,402,239)**	(1,063,605)
Depreciation and amortisation expense	**(131,084)**	(226,247)
Impairment losses	**(98,388)**	(339,817)
Finance costs	**(30,381)**	(53,976)
General administration expense	**(140,000)**	(225,680)
Occupancy expenses	**(154,521)**	(172,579)
Professional fees	**(539,740)**	(540,984)
Other expenses from ordinary activities	**(257,042)**	(242,781)
Loss before income tax	**(1,009,502)**	(1,283,232)
Income tax benefit/(expense)	**189,814**	(3,554)
Loss for the half-year	**(819,688)**	(1,286,786)
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss:		
Net fair value gain on available-for-sale financial assets	**-**	225,961
Income tax on items of other comprehensive income	**-**	(67,788)
Other comprehensive income for the half-year, net of tax	**-**	158,173
Total comprehensive loss for the half-year	**(819,688)**	(1,128,613)
Profit/(losses) for the half-year is attributable to:		
Non-controlling interests	**26,626**	63,874
Owners of the Company	**(846,314)**	(1,350,660)
	(819,688)	(1,286,786)
Total comprehensive income/(loss) for the half-year is attributable to:		
Non-controlling interests	**26,626**	63,874
Owners of the Company	**(846,314)**	(1,192,487)
	(819,688)	(1,128,613)
	Cents	Cents
Earnings per share for loss attributable to the ordinary equity holders of the Company:		
Basic earnings per share	**(4.52)**	(11.63)
Diluted earnings per share	**(4.52)**	(11.63)

Note – earnings per share for the prior period has been restated for the impact of the 1 for 5 share consolidation.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	31 December 2013 $	30 June 2013 $
ASSETS		
Current assets		
Cash and cash equivalents	**3,499,542**	1,464,509
Receivables	**391,347**	287,903
Investments	**1,150,000**	-
Other current assets	**-**	1,398,318
Assets held for sale	**-**	644,415
Total current assets	**5,040,889**	3,795,145
Non-current assets		
Other financial assets	**86,106**	86,106
Receivables	**634,487**	-
Plant and equipment	**82,502**	95,071
Investments	**-**	1,124,155
Intangible assets	**7,535,793**	8,239,365
Deferred tax assets	**416,237**	210,259
Total non-current assets	**8,755,125**	9,754,956
Total assets	**13,796,014**	13,550,101
LIABILITIES		
Current liabilities		
Trade and other payables	**660,702**	859,233
Borrowings	**801,585**	891,318
Current tax liabilities	**32,060**	100,716
Provisions	**78,865**	46,009
Other liabilities	**-**	2,150,729
Liabilities associated with assets held for sale	**-**	9,928
Total current liabilities	**1,573,212**	4,057,933
Total liabilities	**1,573,212**	4,057,933
Net assets	**12,222,802**	9,492,168
EQUITY		
Contributed equity	**18,623,072**	14,991,285
Reserves	**44,562**	83,918
Accumulated losses	**(6,797,636)**	(5,951,322)
Equity attributable to owners of the Company	**11,869,998**	9,123,881
Non-controlling interests	**352,804**	368,287
Total equity	**12,222,802**	9,492,168

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated	Ordinary shares $	Accumulated losses $	Reserves $	Owners of the parent $	Non-controlling interest $	Total $
Balance at 1 July 2013	**14,991,285**	**(5,951,322)**	**83,918**	**9,123,881**	**368,287**	**9,492,168**
Profit/(loss) for the half-year	-	(846,314)	-	(846,314)	26,626	(819,688)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit/(loss) for the half-year	-	(846,314)	-	(846,314)	26,626	(819,688)
Transactions with owners in their capacity as owners:						
Issue of new equity	3,650,729	-	-	3,650,729	-	3,650,729
Costs associated with the issue of new equity	(14,249)	-	-	(14,249)	-	(14,249)
Costs associated with share consolidation	(4,693)	-	-	(4,693)	-	(4,693)
Dividends paid	-	-	-	-	(46,189)	(46,189)
Options cancelled on disposal of investment	-	-	(58,580)	(58,580)	-	(58,580)
Employee incentive plan	-	-	19,224	19,224	-	19,224
Disposal of non-controlling interest in subsidiary	-	-	-	-	4,080	4,080
Balance at 31 December 2013	**18,623,072**	**(6,797,636)**	**44,562**	**11,869,998**	**352,804**	**12,222,802**

Consolidated	Ordinary shares $	Accumulated losses $	Reserves $	Owners of the parent $	Non-controlling interest $	Total $
Balance at 1 July 2012	**8,887,884**	**(2,536,759)**	**(83,173)**	**6,267,952**	**464,548**	**6,732,500**
Profit/(loss) for the half-year	-	(1,350,660)	-	(1,350,660)	63,874	(1,286,786)
Other comprehensive income	-	-	158,173	158,173	-	158,173
Total comprehensive profit/(loss) for the half-year	-	(1,350,660)	158,173	(1,192,487)	63,874	(1,128,613)
Transactions with owners in their capacity as owners:						
Issue of new equity	5,170,000	-	-	5,170,000	-	5,170,000
Dividends paid	-	-	-	-	(42,000)	(42,000)
Equity transfer for expired options	-	75,000	(75,000)	-	-	-
Acquisition of remaining interest in subsidiary	-	-	(14,014)	(14,014)	50,518	36,504
Disposal of non-controlling interest in subsidiary	-	-	-	-	(33,613)	(33,613)
Non-controlling interest on acquisition of subsidiary	-	-	-	-	49	49
Balance at 31 December 2012	**14,057,884**	**(3,812,419)**	**(14,014)**	**10,231,451**	**503,376**	**10,734,827**

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

	Half-year	
	2013	2012
	$	$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**4,271,289**	2,524,474
Payments to suppliers and employees (inclusive of goods and services tax)	**(4,992,024)**	(3,209,844)
	(720,735)	(685,370)
Distributions received	**-**	36,314
Interest received	**55,828**	10,598
Interest paid	**(29,625)**	(53,976)
Income taxes paid	**(82,076)**	(104,033)
Net cash outflow from operating activities	**(776,608)**	(796,467)
Cash flows from investing activities		
Payments for acquisition of a subsidiary, net of cash acquired	**-**	(263,902)
Proceeds from sale of 'available-for-sale' financial assets	**-**	741,457
Proceeds from disposal of subsidiary	**100,000**	-
Payments for property, plant and equipment	**(1,113)**	(4,441)
Payments for other intangible assets	**-**	(61,683)
Payments for separately identifiable intangible assets	**-**	(300,000)
Net cash inflow from investing activities	**98,887**	111,431
Cash flows from financing activities		
Proceeds from issues of shares (net of listing fees)	**2,883,676**	900,000
Proceeds in advance of share issue	**-**	950,000
Loans to associates	**(35,000)**	-
Repayments of borrowings	**(89,733)**	(95,102)
Dividends paid to non-controlling interest in subsidiaries	**(46,189)**	(42,000)
Net cash inflow from financing activities	**2,712,754**	1,712,898
Net increase in cash and cash equivalents	**2,035,033**	1,027,862
Cash and cash equivalents at the beginning of the half-year	**1,464,509**	663,546
Less cash classified as held for sale	**-**	(10,821)
Cash and cash equivalents at the end of the half-year	**3,499,542**	1,680,587

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Easton Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

2. Segment information

(a) Description of segments

Management has determined the operating segments based on the management reports used by the Board of Directors and the executive management team to make strategic decisions.

Business Segments
The consolidated entity has three reportable segments as described below:

- Wealth management and advice (comprising the Chesterfields Financial Services, Easton Wealth Protection and Axial Wealth Management businesses) which provides financial planning and risk insurance advice to high net worth individuals, self-managed superannuation funds and corporate clients;
- Asset management (comprising the Easton Asset Management business) which provides a distribution platform for managed funds in Asia; and
- Other – comprises the parent entity (Easton Investments Limited) and includes revenue from its treasury function and corporate costs.

Geographical Segments
The consolidated entity operated only in Australia during the current and prior reporting period.

(b) Basis of accounting for purposes of reporting by operating segments

The basis of accounting used for reporting by operating segments is consistent with that disclosed in the Group's 2013 Annual Report.

(c) Segment information

The segment information provided to the Board of Directors and executive management team for the reportable segments for the half-year ended 31 December 2013 is as follows:

Consolidated Half-year 2013	**Wealth Management**	**Asset Management**	**Other**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	1,464,199	2,449,666	146,524	4,060,389
Fees and commissions	493,286	1,534,496	-	2,027,782
Salaries and employee benefits	555,011	367,389	479,839	1,402,239
Occupancy expenses	60,255	-	94,266	154,521
Professional fees	28,417	188,349	322,974	539,740
General administration expenses	12,222	109,896	17,882	140,000
Amortisation expense	-	-	117,420	117,420
Impairment charges	-	63,388	35,000	98,388
Interest expense	30,378	-	3	30,381
Income tax expense/(benefit)	(54,431)	46,083	(181,465)	(189,814)
Total profit/(loss) for the half-year	339,081	(402,138)	(756,630)	(819,688)
Total segment assets	4,972,270	5,595,093	3,228,651	13,796,014
Total segment assets include:				
Additions to non-current assets other than financial instruments and deferred tax assets – at fair value	481	-	632	1,113
Total segment liabilities	983,104	389,859	200,249	1,573,212

(c) Segment information (continued)

The segment information provided to the Board of Directors and executive management team for the reportable segments for the half-year ended 31 December 2012 is as follows:

Consolidated Half-year 2012	**Wealth Management**	**Asset Management**	**Other**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	1,435,850	1,055,990	2,170	2,494,010
Fees and commissions	213,456	569,924	-	783,380
Salaries and employee benefits	679,170	109,391	275,044	1,063,605
Occupancy expenses	112,958	6,887	52,734	172,579
Professional fees	137,284	152,929	250,771	540,984
General administration expenses	34,858	123,689	67,133	225,680
Amortisation expense	-	-	188,846	188,846
Impairment charges	339,817	-	-	339,817
Interest expense	52,626	-	1,350	53,976
Income tax expense/(benefit)	23,788	(5,519)	(14,715)	3,554
Total profit/(loss) for the year	(183,460)	12,222	(1,115,548)	(1,286,786)
Total segment assets	6,479,209	5,503,423	1,564,368	13,547,000
Total segment assets include:				
Additions to non-current assets other than financial instruments and deferred tax assets – at fair value	23,741	6,359	36,024	66,124
Total segment liabilities	1,122,392	1,410,899	278,882	2,812,173

3. Dividends

No dividends were paid, declared or recommended since the start of the financial year.

4. Equity securities issued

	Half-year		Half-year	
	2013 shares	2012 shares	**2013 $**	2012 $
Issues of ordinary shares during the half-year [1]				
Ordinary share placement under a 1 for 3 Rights Issue to eligible shareholders on 3 July 2013	**21,507,294**	-	**2,150,729**	-
Ordinary share placement to sophisticated and professional investors on 6 August 2013	**10,000,000**	-	**1,500,000**	-
Ordinary shares issued as consideration for the acquisition of Easton Asset Management Limited on 3 September 2012	-	17,080,000	-	4,270,000
Ordinary share placement to sophisticated and professional investors on 3 September 2012	-	4,090,908	-	900,000
	31,507,294	21,170,908	**3,650,729**	5,170,000

1. *At the Company's Annual General Meeting held on 29 November 2013, shareholders approved a resolution to consolidate the Company's issued shares on a 1 for 5 basis. The number of shares disclosed in the table above were issued prior to the share consolidation and are disclosed on a pre-consolidation basis.*

A reconciliation of the number of shares on issue from the beginning of the financial year to the post-consolidation shares on issue is set out in the table below.

		Number of Shares	$
1 July 2013	Opening balance	64,521,880	14,991,285
3 July 2013	Ordinary share placement	21,507,294	2,150,729
6 August 2013	Ordinary share placement	10,000,000	1,500,000
	Costs associated with the issue of new equity	-	(14,249)
2 December 2013	Total shares on issue pre-consolidation	96,029,174	18,627,765
10 December 2013	Share consolidation adjustment	(76,823,288)	(4,693)
11 December 2013	Total shares on issue post-consolidation	19,205,886	18,623,072

5. Business combinations

Current period

Easton Investments Limited did not acquire a business during the current reporting period. Refer to Note 7 – Events occurring after balance date for information regarding the acquisition of the Hayes Knight NSW Businesses.

6. Contingencies

There were no contingent liabilities as at 31 December 2013 (2012: Nil).

7. Events occurring after balance date

(a) Acquisition of Hayes Knight NSW Businesses

On 28 November 2013, the Company announced the acquisition of the following interests as part of a single transaction (**the Transaction**):

- 30% of the issued shares of Hayes Knight (NSW) Pty Ltd (***HKNSW***) and 30% of the issued shares of its related entity Hayes Knight Services (NSW) Pty Ltd;
- 100% of the issued shares of Knowledge Shop Professional Consulting Pty Ltd (***Knowledge Shop***);
- 100% of the issued shares in HK Financial Services Pty Ltd which includes its wholly-owned subsidiaries Merit Wealth Pty Ltd (***Merit Wealth***) and Merit Planning Pty Ltd;
- 100% of the issued shares of Hayes Knight Referral Services Pty Ltd (***HKRS***); and
- 50% of the issued shares of Superssentials Administration Services Pty Ltd (***Superssentials***).

The Transaction was subsequently approved at an Extraordinary General Meeting of shareholders on 30 January 2014 and will be completed once all conditions precedent have been satisfied.

The Parties have agreed to some relatively minor adjustments to the Transaction in advance of Completion. The interest in Superssentials will not be included in the Transaction given its early stage of development, but will be retained by HKNSW (which will continue to hold a 75% interest in Superssentials). The up-front component of the purchase price has been adjusted accordingly.

After this and other sundry adjustments agreed by the Parties, the upfront consideration has been reduced from \$10.86 million to \$10.66 million which is to be satisfied by the issue of 8,194,444 Easton shares at an issue price of \$0.90 each plus a cash payment of \$3.285 million.

The financial effects of this transaction have not been brought to account at 31 December 2013. The operating results and assets and liabilities of the Hayes Knight NSW Businesses will be consolidated from 1 February 2014.

Directors believe that the Transaction is highly attractive as it:

- represents an excellent strategic fit with Easton's stated intent and direction;
- is an important first step in creating a meaningful distribution business with significant scale;
- offers strong potential for organic growth;
- opens opportunities for prospective acquisitions in the financial services sector;
- repositions Easton with an expanded capital base and with enhanced earnings and earnings prospects; and
- involves a purchase price that is largely satisfied by the issue of Easton shares, thereby providing a strong alignment of interests going forward and reflecting confidence in the further growth of the Acquisition Businesses in particular and in the future prospects of Easton more generally.

7. Events occurring after balance date (continued)

(i) Purchase consideration

Details of the consideration transferred are:

Acquisition Business	% Acquired	Cash Paid	Easton Shares Issued	Contingent Consideration	Total Purchase Consideration
		$	$	$	$
Hayes Knight (NSW) Pty Ltd	30%	1,887,960	372,040	-	2,260,000
Hayes Knight Services (NSW) Pty Ltd	30%	122,040	377,960	-	500,000
Knowledge Shop Professional Consulting Pty Ltd	100%	1,000,000	2,200,000	750,000	3,950,000
HK Financial Services Pty Ltd [1]	100%	-	1,800,000	-	1,800,000
Hayes Knight Referral Services Pty Ltd	100%	275,000	2,625,000	1,500,000	4,400,000
		3,285,000	7,375,000	2,250,000	12,910,000

1. *Includes wholly-owned subsidiaries Merit Wealth Pty Ltd and Merit Planning Pty Ltd*

As at the date of this report, fair values of the assets and liabilities of the Hayes Knight NSW Businesses have not been determined.

(ii) Contingent consideration
The contingent consideration arrangements require the Group to pay the vendors of the Hayes Knight NSW Businesses Earn Out Payments which are dependent on the following performance conditions:

Knowledge Shop Professional Consulting Pty Ltd
Earnings before interest, tax and amortisation (EBITA) must exceed $900,000 for the 12 months ending 31 January 2015. An Earn Out Payment of $750,000 will be paid if the target performance condition is met.

Hayes Knight Referral Services Pty Ltd
HKRS must enter into five Referral Rights Agreements to the value of at least $200,000 per agreement and which have not been terminated for each of the following periods:

- 12 months ending 31 January 2015
- 12 months ending 31 January 2016
- 12 months ending 31 January 2017

An Earn Out Payment of $500,000 will be paid for each period specified above if the target performance conditions are met (total contingent consideration of $1,500,000). Should the Earn Out Payment Target be exceeded for each of the periods ending 31 January 2015 and 31 January 2016, an election can be made to have one Referral Right Agreement carried forward to the next period, in which case that Referral Rights Agreement will be deemed to have occurred in that following period. Should any Referral Rights Agreements be subsequently terminated during each Earn Out Period, a pro-rata payment to Easton will be made which is equivalent to the amount payable under the Referral Rights Agreement as a consequence of the termination.

(iii) Acquisition-related costs
Acquisition-related costs of $143,921 have been included in professional fees expenses in profit or loss in the current reporting period ending 31 December 2013.

(b) Proposed sale of interest in AAM Advisory Pte Ltd
On 17 December 2013, the Company announced it had entered a conditional agreement to sell its 19.9% interest in AAM Advisory Pte Ltd. At an Extraordinary General Meeting held on 30 January 2014, shareholders approved the proposed sale and completion is expected to occur once all conditions precedent have been satisfied.

7. Events occurring after balance date (continued)

(c) Bank Finance Facility

A new $3.0 million bank finance facility has been provided to the Group by Westpac Bank for acquisition funding. The facility is conditional on the completion of the acquisition of the Hayes Knight NSW Businesses. As at the date of this report, the facility has not been activated.

8. Related Party Disclosures

During the half-year, the following restructuring transactions occurred with related parties:

(a) the Company disposed of its 51% interest in Incito Wealth Pty Ltd (Incito) to a director of Incito for consideration of $100,000; and

(b) the Company disposed of the Portfolio Management client book held by Easton Asset Management Limited (EAML) to a director of EAML for nominal consideration of $1.

9. Fair value of investments

The consolidated entity holds an investment in an unlisted entity held at fair value. This investment is a level 2 financial instrument in the fair value hierarchy, and its value has been determined with reference to an arms-length sales agreement at 31 December 2013.

The directors declare that the financial statements and notes of the consolidated entity set out on pages 11 to 21 in accordance with the *Corporations Act 2001*:

(i) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001,* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Easton Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Rodney Green
Chairman

Melbourne
21 February 2014

EASTON INVESTMENTS LIMITED
ABN 48 111 695 357

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EASTON INVESTMENTS LIMITED AND CONTROLLED ENTITIES

We have reviewed the accompanying half-year financial report of Easton Investments Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2013 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 Easton Investments Limited, 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*.

PITCHER PARTNERS

EASTON INVESTMENTS LIMITED
ABN 48 111 695 357

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EASTON INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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 Easton Investments Limited is not in accordance with the *Corporations Act 2001* including:

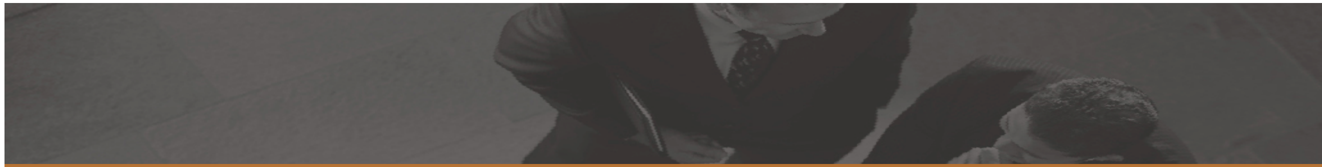
(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

N R BULL
Partner

21 February 2014

PITCHER PARTNERS
Melbourne



EASTON INVESTMENTS LIMITED

2013/14 First Half Results

21 February 2014

Kevin White
Managing Director

Overview – First Half Performance

- Good progress has been made in the first half of 2013/14
- Short term priorities have been successfully completed
- The Company is now operating profitably (on a normalised basis) with good earnings and growth prospects
- The Company's balance sheet has been strengthened and is soundly positioned

First Half Highlights

Operational

- Non-core and uneconomic businesses divested
- Operations streamlined and costs trimmed
- Continuing businesses operating profitably and in line with plan

Financial

- Normalised EBITA = $34k (1H13: Loss of $470k)
- Reported Net Profit = Loss of $820k (1H13: Loss of $1.29m)
  - Includes non-cash items of $621k
- Full benefits of 1st half actions to be realised in the 2nd half
- Cash balance at year end = $3.5m (to be boosted by the proceeds from the proposed sale of interest in AAM Advisory of $1.15m)
- $3.0m debt facility approved by Westpac
- Adequate funding for the Hayes Knight NSW Transaction (plus surplus funds for future opportunities)

Strategic

- Direction, Strategy and Business Model clearly articulated
- Important strategic transaction announced and approved by shareholders

Improved Profit Performance

The main priority has been to improve Underlying Profitability

- Interests in Incito Wealth and API Capital divested
- Easton Asset Management restructured and the Portfolio Management client book sold for a nominal sum
- The Company’s interest in AAM Advisory agreed to be sold for $1.15 million (transaction expected to be completed shortly)
- Dealer group services rationalised
- Corporate structure streamlined and overheads reduced

Improved Profit Performance (cont'd)

The benefit of 1st half decisions and actions beginning to emerge

Continuing businesses performing well

- Normalised EBITA - $34k (1H13: Loss of $470k)
- Due to timing considerations, full benefits to be realised in the 2nd half
- Reported EBITA – Loss of $917k (1H13: Loss of $1.05m)
- Reported EBITA impacted by:
  - Loss on Disposal of Intangible Assets and Impairment Charges (non-cash item) - $621k
  - Redundancies and related costs - $376k
  - Restructuring and Acquisition costs - $209k
- Reported NPAT – Loss of $820k (1H13: Loss of $1.29m)

Financial Position Strengthened

The second priority has been to put the Company in a sound financial position

- Two capital raisings completed since June 2013 have raised $3.65 million
- Cash position at 31 December 2013 - $3.5 million
- The proposed sale of the Company's interest in AAM Advisory will boost the Company's cash position by $1.15 million once completed
- A new $3.0 million loan facility provided by Westpac for acquisition funding
- 1 for 5 share consolidation completed in the first half
- The Company has carried forward tax losses of $4.7 million

Strategic Direction & Material Transaction

The third priority has been to review and refine the Company's strategic direction and to reposition it for sustained long term growth

- The intention is to build a major distribution business in the financial services sector
- The first important strategic acquisition, consistent with this strategic direction, was approved by Shareholders on 30 January 2014 and is expected to complete shortly (**Hayes Knight NSW Transaction**)

Hayes Knight NSW Transaction

- Easton originally entered into an agreement to acquire the following assets:
  - 100% of Knowledge Shop
  - 100% of Merit Wealth and Hayes Knight Referral Services
  - 30% of Hayes Knight NSW (**HKNSW**)
  - 50% of Superssentials Administration Services (**SAS**)
- The Parties have agreed to some relatively minor adjustments in advance of Completion –
  - The interest in SAS will not be included in the Transaction – this interest is to remain an asset of HKNSW, which will retain its current 75% shareholding in SAS
  - The up-front component of the purchase price will be reduced by $200k to $10.66m

Hayes Knight NSW Transaction (cont'd)

- Represents an excellent strategic fit with Easton's stated intent to "build a significant distribution capability in the Australian Financial Services Sector"
- Offers strong potential for organic growth
  - Especially Knowledge Shop and Merit Wealth
- Opens opportunities for prospective acquisitions in the financial services sector
  - Easton will be well placed to build a network of compatible accounting firms
  - Able to offer an attractive value proposition, including brand, professional and practice management support, expanded service capability and access to capital to fund future growth and succession
- Repositions Easton with an expanded capital base with enhanced earnings and earnings prospects
- The purchase price to be mainly paid in shares and thereby provides strong alignment between shareholders and vendors going forward

Hayes Knight NSW Transaction (cont'd)

- The transaction involves:
  - the purchase of 100% of Knowledge Shop, Merit Wealth and Hayes Knight Referral Services, plus 30% of HKNSW
  - an up-front consideration of $10.66m, plus an earn-out of up to $2.25m over 3 years
  - the up-front consideration is to be satisfied by:
    - cash $3.285 million
    - Easton shares $7.375 million
      - ~8.2m shares at 90 cents each
      - Representing an interest in Easton of ~30.0%
      - Escrow provisions are to apply:
        - ⅓ not escrowed
        - ⅓ escrowed for 12 months
        - ⅓ escrowed for 24 months

Hayes Knight NSW Transaction (cont'd)

- The up-front consideration is priced on an EBITA multiple for 2013/14 in the range of 5 to 6 times
  - EBITA performance will be materially impacted by the performance of Merit Wealth and its related entity, Hayes Knight Referral Services (**HKRS**)
- Greg Hayes, founder of the Hayes Knight Group, will become the joint Managing Director of Easton
  - Greg Hayes will be principally responsible for the performance of the Hayes Knight businesses, as well as identifying further accounting acquisition opportunities
  - Kevin White will be principally responsible for Easton's existing operations and strategic mergers and acquisitions
  - The joint managing directors have complimentary skills and experience which provide a strong base for future growth, both organic and by acquisition, in the financial services sector

Knowledge Shop (100% interest)

- Provides professional support services to small to medium accounting firms
- Operates a subscription based service, encompassing:
  - an on-line precedent bank, work papers and practice management
  - a technical support help desk
  - quarterly technical and client newsletters
- Currently has ~700 subscribing firms
- Plus deals with another 600 to 700 accounting practices annually on a transactional or ad-hoc basis
- Turnover in 2013 was $3.35m and normalised EBITA was $0.70m
- Earn-out payment of $0.75m if EBITA exceeds $0.90m in the 12 months to 31 January 2015

Merit Wealth & HKRS (100% interest)

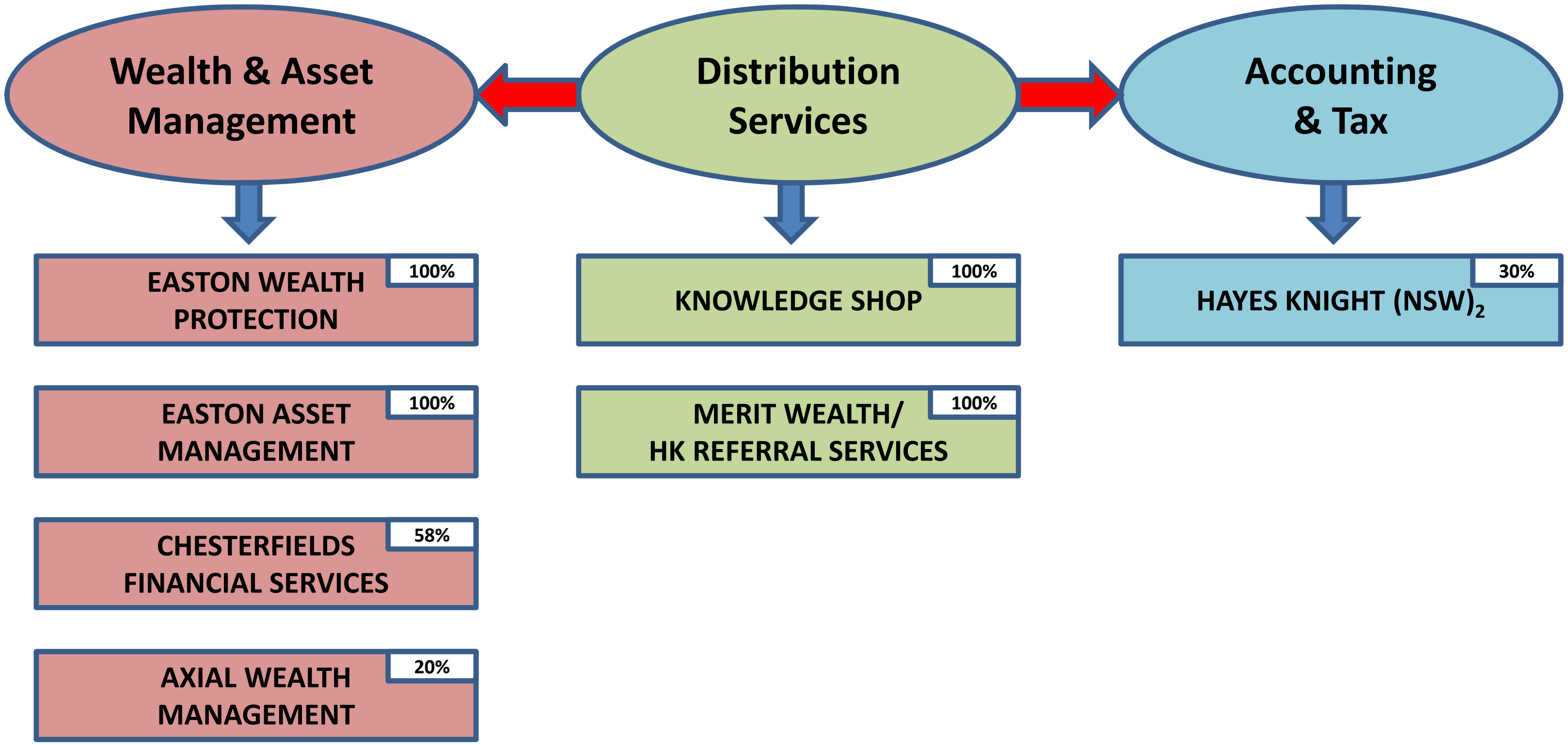
- Provide a financial services solution to the accounting profession, including Knowledge Shop member firms
- Merit Wealth holds an AFSL and in conjunction with HKRS has established a referral service:
  - HKRS sources and engages qualified financial advisers
  - Each adviser enters into a Referral Rights Agreement involving an up-front payment plus an on-going annuity fee
  - In return, the adviser is introduced to accounting firms under an on-going referral arrangement
  - The financial adviser is authorised by Merit for a standard fee of 10% of annual revenue
- Currently 6 Referral Rights Agreements in place
  - Progressive roll-out planned over the next 5 years
- Consolidated turnover in 2013 was $3.26m and normalised EBITA was $0.62m
- Earn-out payment of $0.5m in each of the 3 years ending 31 January 2015, 2016 and 2017 if 5 or more Referral Rights Agreements achieved in each of those years (i.e. total $1.5m earn-out)

HKNSW (30% interest)

- Full service, Sydney based accounting firm
  - audit service provided through a separate company and not included in the Transaction
- Turnover in 2013 was $4.88m and normalised EBITA was $1.08m
- Contracted to provide technical, back-up and administrative support to Knowledge Shop, Merit Wealth and HKRS under formal service agreements

Easton Investments

Operations[1]



1. Post completion of the Hayes Knight NSW Transaction
2. Incorporates Hayes Knight Services (NSW) Pty Ltd
3. Excludes AAM Advisory which is subject to sale

February 2014

Future Direction

- Narrow focus on building a meaningful distribution capability in financial services in Australia
- Aim is to acquire interests in quality and aligned accounting and financial planning businesses
  - Accountants are the "gate keepers" with key client relationships in the high net worth (HNW) and small to medium enterprises (SME) sectors
  - A network achieves scale, where scaled distribution has strategic value
  - Provides access to the high growth SMSF sector
- Apply a different (superior) business model to others in the sector
  - Prefer "meaningful" interests, not 100% ownership
  - Eliminates many of the issues others in the sector are faced with, such as remuneration and retention
  - Provides benefits of listed company involvement and broad network of firms with similar businesses, aspirations and cultures

2013/14 Second Half Outlook

- Existing businesses are performing satisfactorily – significant improvement in operating performance expected compared with the prior year and the 1st half of the current year
- Clear strategic intent
  - Realistic plans to become a leading distribution company in the financial services sector
  - A differentiated business model
- Important Strategic Acquisition to be completed
  - Hayes Knight NSW and related businesses
  - Provide strong earnings and significant growth potential
    - By acquisition – plenty of good opportunities
    - Organic – core business plus cross-sell
- Focus on quality acquisitions
  - Very selective and must be earnings accretive
  - Execution, alignment and culture are critical
- Intent on creating shareholder value over a 5-year planning horizon
  - Growth in earnings per share
  - Satisfactory return on capital

Looking to attract firms with the right culture

Disclaimer

The information contained in this presentation is not intended to be exhaustive and must be considered in conjunction with all other publicly available information disclosed by Easton to the Australia Securities Exchange from time to time.

This presentation does not take into consideration the investment objectives, financial situation or circumstances of any particular investor.

Certain statements in the presentation relate to the future. Such statements involve known and unknown risks and uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. Easton does not give any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this presentation will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

This presentation has not been subject to auditor review.